

The NATIONAL UNDERWRITER



Flaws in human character are also
hard to see. That's why employers
need . . .

FIDELITY BONDS

THE TRAVELERS INDEMNITY COMPANY • HARTFORD, CONNECTICUT

THURSDAY, APRIL 28, 1949



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY
ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.
ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE
ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY
ORGANIZED 1882



ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA
ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK
ORGANIZED 1874



COMMERCIAL CASUALTY INSURANCE COMPANY
ORGANIZED 1909



PITTSBURGH UNDERWRITERS • KEYSTONE UNDERWRITERS

LOYALTY GROUP

Home Office: TEN PARK PLACE, NEWARK 1, NEW JERSEY

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Western Department: 120 South La Salle Street, Chicago 3, Ill.

Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Foreign Departments: 111 John Street, New York 7, New York
206 Sansome St., San Francisco 4, Calif.

Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

Insurers Offer Suggested Changes to Meet Criticism

Hearing on Financed Business Insurance Held by Commissioners Committee

NEW YORK—Representatives of insurers interested in financed automobile business last week submitted suggested practices they believe will answer criticisms that have been made to or by insurance commissioners over the country. The suggestions were submitted as a memorandum at the hearing of the special committee of National Assn. of Insurance Commissioners named to look into abuses of insurance practices in connection with automobile financing and other time payment transactions.



W. Ellery Allen

Allen of Connecticut, chairman, presided. Others on hand were Larson of Florida, accompanied by Hugh Christie, T. T. Elmore and Victor Cawthorne of his department; Ralph Alexander of Pennsylvania, Jackson of Missouri, Harrington of Massachusetts, Bohlinger of New York, and Wagner of Connecticut.

The commissioners went into executive session following the hearing, and it is likely the report planned by the committee will be presented at the Seattle meeting of commissioners.

The hearing was late in getting under way while the committee waited for Larson of Florida to finish discussing by long distance with his home state the introduction of a 4% premium tax, double the present levy, and a \$1,000 annual license fee for companies in that state, compared with the present \$200 fee. Mr. Larson indicated real concern over the possibility of the measure going through.

Position of Agents

The position of National Assn. of Insurance Agents was presented by Charles P. Butler, executive vice-president. He was accompanied by Walter Bennett, counsel, and John F. Neville, associate counsel. Agents oppose insurance being sold with some other commodity, to its being treated as a "poor relation". They believe the finance business ought to stand on its own feet, and ought not to have to make a profit on a tie-in of insurance. If finance companies are going to be allowed to place insurance, then they ought to be held to the same standards as agents, who, after all, are required to keep insurance sold to the public. Agents think that the performance of those who place insurance on financed automobile business ought to have some legislative expression.

N.A.I.A. will file a brief with the committee, and the finance insurance people asked for a copy.

There were 11 points in the suggestions made by the insurers' representatives. The term "finance factors" was used to describe the finance outlets, banks, automobile finance or loan companies, dealers, credit unions or other

Texas Hailstorm Loss \$1½ Million

DALLAS—The April 19 hailstorm in the Del Rio, Tex., area caused property damage of nearly \$2 million with an insurance loss exceeding \$1½ million, according to the estimate made by J. F. Miazza, assistant general manager of the southwestern department of General Adjustment Bureau. Emergency offices for adjusters have been opened at Del Rio and Eagle Pass and other claims are being handled in the San Antonio office.

Hail stones as large as baseballs were reported in Del Rio, where some 3,500 claims have been made, totaling about \$875,000. Practically every roof in Del Rio, population 15,000, was damaged and many windows and some plate glass fronts were broken. The estimated insurance loss is, of course, in excess of the mandatory \$100 deductible which has been a part of all windstorm policies in Texas since Sept. 1, 1946.

The field clubs of Texas in cooperation with the local boards are planning advertising mats which can be used immediately following hailstorms in local newspapers advising assured to contact their local agents at once and report damages and telling that it is not necessary to employ attorneys or public adjusters in order to get prompt and satisfactory settlements.

financing medium. The suggestions are:

The insurance obtained by a finance factor from an insurer or agent shall be completely disclosed to the ultimate purchaser of the insurance. The insurer in the time prescribed by law or as soon as practicable after execution of a retail installment contract or consummation of a loan shall furnish the retail buyer a certificate of insurance clearly setting forth the amount of premium, kind or kinds of insurance and scope of coverage, along with terms, exceptions, recommendations, restrictions and conditions of the insurance.

Could Choose Another Company

The purchaser of the motor vehicle would be given the option of furnishing to the finance factor the required policy in a company of his choice, if acceptable to the finance factor.

No coverages would be written that are not in the standard automobile manual adopted for general use within the state, unless specific approval of other coverages be obtained by the insurer from the insurance department.

Policies or certificates must be written for the full term for which a premium is charged the purchaser or borrower. All premiums collected or charged into the finance transactions would be paid to the insurer, "within the terms of the agency contract or brokerage arrangement between the insurer and the agent or broker handling the transaction." The insurer could not extend more than 90 days credit for premium payment, and the producer would not extend credit beyond 75 days to the finance factor for payment of premiums.

Informing the Borrower

Where there is a single interest policy to the finance factor, a copy of it would be delivered in the same manner as required of a double interest policy, accompanied by a clear statement advising the purchaser or borrower that the insurance is solely for the finance factor's interest and no protection exists for the purchaser's benefit.

Insured, purchaser or buyer must be
(CONTINUED ON PAGE 10)

Road Service Network Perfected in Detroit Area

An organization known as Road Aid—Agents of Greater Detroit has been incorporated in furtherance of the road service program of Detroit Assn. of Insurance Agents.

C. M. Verbiest is president, M. F. McCaffrey who is president of Detroit Assn. of Insurance Agents, is vice-president; W. F. Jarvis is secretary and Don St. Louis is field director.

The program provides a 24-hour telephone switchboard service for road service calls in Detroit and 36 suburban localities. Fifty-six primary towing and service stations, spotted at two mile radius intervals throughout the area, respond to calls. There are secondary stations to lend a hand during peak load periods.

In Michigan there is sold what is called "maximum" coverage which includes comprehensive, a form of collision protection, personal effects, and towing and road service with a maximum of \$10 per emergency.

The assured is to be furnished with an identification card and when he is in trouble he calls the Road Aid number and gives his location. The nearest service unit is dispatched. There is no charge to the assured. He signs an order statement including a release clause at the time of servicing. The statement is then submitted to the insurer, through Road Aid, for payment.

Presently participating in the program are 225 agencies representing 48 insurers. Some 32,000 identification cards have been ordered by agents. When the program was first conceived there were 26 supporting insurers. Subsequently 22 others signed up. It is expected that there will be an increase in the number of participating agents and companies.

So far it is found that the participating companies are able to save in handling costs on road service claims and are able to reduce the office work involved in handling such claims, according to the sponsors.

Service stations and towing charges are regulated and kept within a schedule. Road Aid makes a service charge to the insurer for handling these claims.

The office of the organization is at 1121 Majestic Building, Detroit.

In the preliminary research, the Road Aid people found that one of the most important stock full cover automobile writers in Detroit averaged one road aid claim per year for every five policies issued. This was not one claim for every five road service policies but rather one for every automobile policy of any kind. It was also estimated that if there were 20,000 claims handled through this system, the plan would be an economical and satisfactory one. Agencies that have been participating in the program find that it affords them an effective competitive weapon against the motor club.

Magdalena Loss Is \$8 Million

Insurance on the brand new luxury liner, Magdalena that broke in two and sank for a total loss after going aground off the coast of Brazil is \$8 million. Of this 30% is in the U. S. market. This is the first total loss on a Class A luxury liner under British flag in peacetime since the Titanic disaster in 1912. The rate on Magdalena was 16 cents.

The Donkle agency, Fort Atkinson, Wis., has purchased the Irving Slevert agency.

Dineen Launches Multiple Location Cost Study

Bank Accountants Use Continental to Seek to Test Expense Relativity

NEW YORK — Cost accounting studies of the expense of handling single and multiple location fire insurance business were begun Monday by the New York department in the offices of Continental. The survey will be extended to such other companies writing multiple location risks as may be necessary to determine the relative expense of handling such business and reasonableness of rates.

The work is being carried on by the firm of Driscoll & Millet, Philadelphia, as nominees of the department. They will be assisted by James J. Higgins, chief of the department's uniform accounting bureau and former senior fire examiner, together with E. R. Gilmartin of the examining staff.

Does Banking Work

Driscoll & Millet has made cost analyses of more than 1,500 banks and specializes in determining unit and departmental costs of financial institutions.

The order of appointment names this firm to examine into the affairs of Continental "to determine whether classification rates on single and multiple location fire risks are or may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in expense provisions, whether such standards measure any differences among risks that can be demonstrated to have a probable effect upon expenses, whether the information in support of any rates heretofore filed or now filed with the department by it or on its behalf by New York Fire Insurance Rating Organization or any other rating, service or advisory organization is based upon experience or judgment, whether its interpretation of any statistical data it has or now relies upon is correct, whether the classifications of accounts and methods of allocation observed by it in transacting such business are reasonable, whether the expense statistics collected, maintained and reported by it are in conformity to sound accounting practice, and to ascertain past and prospective expenses both countrywide and those specially applicable to New York state, for the purpose of ascertaining whether the rates charged by it, including the expense portions thereof, for fire insurance on single and multiple location risks are excessive, inadequate, unfairly discriminatory or otherwise unreasonable.

Examine Officers, Agents

"In addition to the foregoing specific assignments, the examiners are authorized to examine into any other relevant factors in connection with such examination. Such examiners are directed to make a full report to me in writing of their findings and recommendations. Such examiners are hereby also authorized to examine under oath the officers and agents of the aforesaid company, and all persons deemed to have material information regarding functions, work and cost, who for the inspection of said

(CONTINUED ON PAGE 25)

Crop Hail Year Starts Off as Briskly as Ever

Insurers Already Put Up SRO Signs in Some Territories

The crop hail insurance year has started off just as briskly as last, despite the fact that crop values are decidedly below the 1949 peak. Winter wheat coverage is being written in substantial volume in Texas, Oklahoma and southern Kansas, and there is some insurance on tobacco and cotton in Georgia, South Carolina and Florida.

The crop conditions are good in the winter wheat areas, the winter wheat moisture having been excellent. However, in Nebraska there was a lot of winter kill.

The business has been reported in such volume that a number of the companies already have had to shut off writings in certain territories. The quota procedure is being followed pretty religiously by the hail insurers so as to preserve the spread. A number of the territories in which the SRO sign has gone up have been those in which the experience has been good.

The winter wheat crop that is being insured is the July wheat option and this currently at Chicago is about \$1.97 which means about \$1.75 on the farm. That is about one-third below the 1948 high.

The corn that will be insured is the December option and this is currently about \$1.17 in Chicago, which means about \$1.10 on the farm. This is about 50% of the 1948 high.

Already a meeting for hail adjusters has been held at Regina, Sask., and such a meeting is under way at Raleigh, N. C., this week, under the auspices of Southeast Hail Conference. Such a meeting has been held at Wichita under Western Hail & Adjustment Assn. There is to be one at Fargo, May 13-14 and another at Des Moines, June 2-3. Most of the per diem hail adjusters are agricultural teachers, high school men and local agents.

Elect Close as Chairman of Arkansas Rating Bureau

LITTLE ROCK—Charles M. Close, Great American, was elected chairman at the annual meeting of the executive committee of Arkansas Inspection and Rating Bureau. He succeeds Ivan Eschott, Home, who resigned after being chairman for six years. I. C. Sparks, St. Paul, was made chairman of the advisory committee to the bureau.

George D. Suter, manager, in his annual report placed the fire loss ratio in the state for all companies last year at 41.8%, a 10% increase over last year. He attributed the increase principally to seven large fire losses in excess of \$100,000. He reported the extended coverage experience as 66.6% and the motor vehicle physical damages coverages at 36%.

Mr. Suter stated that the number of criticisms on daily reports by the audit division of the bureau have been reduced by the participation of staff members as instructors in regional educational meetings of the Arkansas Assn. of Insurance Agents. He said that the engineering personnel of the bureau has been increased to take care of the demands of the new industries which have moved into Arkansas.

Jack G. Parsons, North British, president of the Arkansas State Fire Prevention Assn. and the fire prevention division of the bureau, illustrated his report with the use of colored slides. Accord-

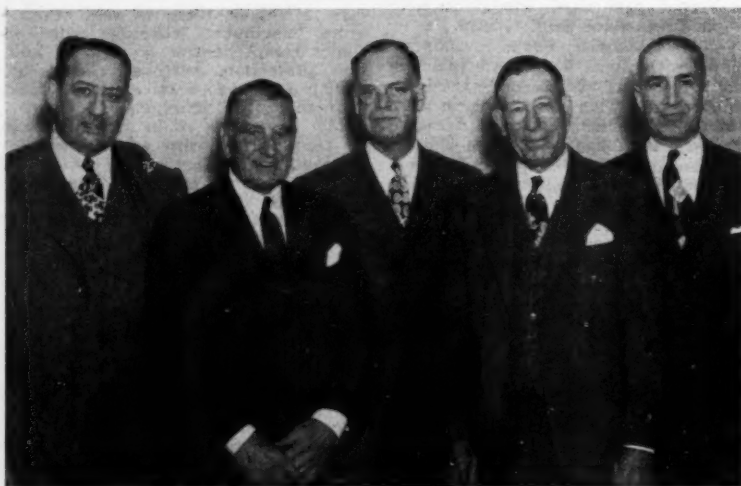
ing to Mr. Parsons, since last fall five towns have been inspected and the association has undertaken a permanent program to prevent school fires in co-operation with the state department of education. The association is assisting the hospital division of the state board of health in inspecting Arkansas hospitals and a book of fire safety standards has been drawn up for them as a part of the hospital licensing requirement.

Mr. Parsons praised the work of Carl S. Smalley, head of the bureau's fire prevention division and executive secretary of the Fire Prevention Association. Mr. Smalley has presented the fire safety stage show featuring the clown, "stupid carelessness", before 30 school audiences including 12,000 grade and high school children and many civic and club groups.

Field men, bureau staff members and officers and members of the executive committee of the Arkansas Association of Insurance Agents were guests of the bureau at a luncheon.

James S. Kemper has resigned as a director of Lumber Mutual Fire of Boston.

Moore, Case Anniversary Festivities



The Moore, Case, Lyman & Hubbard cocktail hour at the Union League Club, Chicago, last Friday afternoon, marking the 90th anniversary of the organization, brought together hundreds of congenial friends, including members of the Moore, Case organization, clients, heads of other insurance agencies, company men, etc. This was followed by a dinner for the main executives of companies represented in the agency including a dozen or more from outside the city.

In the picture are shown the five members of the firm, from the left: Sam A. Rothermel, J. K. Walker, Frank Coffin, Harry E. Knight and Waldo B. Ames.

Moore, Case lays claim to being the oldest agency in the city, the organization having been formed by Silas M. Moore in 1859 in association with L. M. Olmstead. The original name was S. M. Moore & Co. In 1864 he bought out Mr. Olmstead and formed a partnership with John K. Sterns, general agent of Connecticut Mutual Life, thus becoming the first general agency in Chicago to write life insurance. A. H. Van Buren was identified with the firm at that time. James H. Moore, brother of Silas, joined the firm in 1863. In 1871, John J. Janes, who had been associated with the office since 1868 became a partner, and the name Moore & Janes was adopted.

Frederick W. Moore, son of James H., joined the agency in 1885, becoming a partner in 1901, and was active until three years before his death in 1945. E. B. Case, James S. Hubbard and Harvey Dean became partners shortly after the turn of the century. In 1902 a consolidation was effected with Lyman & Herrick, the

Much Talent on General Agents Card

An impressive array of talent has been lined up for the program of the annual meeting of American Assn. of Managing General Agents at the Hotel Commodore, New York, N. Y., May 23-25.

On the speakers list are Superintendent Dineen of New York; John C. Stott, president National Assn. of Insurance Agents; Edward A. Drews, secretary of Great American; Harold K. Kramer, vice-president of the Borden Co., and J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies.

Slate Nelson at Fremont

Robert A. Nelson, assistant western manager of Atlas, is addressing the luncheon meeting at Fremont, Neb., May 11, which is one of a series of joint gatherings of local agents and insurance buyers that are being held throughout the state.

FORM COVERED WAGON CLUB

Springfield F. & M. Holds Centenary Employe Dinners

Springfield F. & M. this week held the first two of a series of five banquets for employes in key cities, in celebration of the company's centennial.



The first banquet was at the home of the city of Springfield, Mass., Monday, and the second was at Chicago for the western department, Wednesday.

The 100th anniversary fell on Sunday, April 24th.

At the Springfield banquet, President W. A. Hebert announced the inauguration of the "Covered Wagon Club," the membership to be composed of employes, both active and retired, who have been with the company for 25 years or more. The club was named for the trademark of Springfield F. & M. and pins and lapel buttons presented to members carry this design in artistic setting.

Over 50 Year Group

Five employes, each now retired, but who have been with the organization more than 50 years, were guests of honor at the Springfield banquet, they being Charles A. Stearns, 66 years; Dwight B. Wood, 58; Fred S. Richards, 57; Arnold L. Barrett, 57 and Ralph J. Bruce, 51. Mr. Hebert presented the Covered Wagon buttons to these men and then to 60 other employes, officers and directors. Mr. Hebert, himself, was inducted into the club by Vice-president Frank A. Schlesinger, who served as toastmaster. Center of attraction in the decoration of the ballroom was a huge mural of the trademark picture, the covered wagon.

David K. Stewart of Cleveland gave an inspirational address on "Human Reserves." Christopher Sorensen, chairman of the Clerks association, made a talk and Henry A. Field, director, presented an engrossed testimonial to Brewer Corcoran of Springfield for editorial assistance in compiling the centennial book, "A Century of Achievement."

San Francisco Dinner May 2

The next meeting is to be held at San Francisco, May 2, and other such banquets will be at New York and Detroit.

At the Chicago banquet, Mr. Hebert was introduced by Executive Vice-president John C. Harding, who served as toastmaster. Mr. Stewart was also the main speaker there.

Eighty were inducted into the Covered Wagon Club at Chicago. There are 16 eligible at San Francisco, six at Detroit, four at Toronto, 79 at Springfield, the entire group numbering 185.

Roddy Makes Talk

Whitney H. Roddy, local agent at Bloomfield, N. J., is discussing "Know Yourself—and No Others" at the Morris County Assn. of Insurance Agents Thursday.

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April 28, 1949

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N. Y. Is Now on Full Multiple Line Basis

Governor Dewey, in signing the multiple line underwriting bill in New York, characterized this as a very important piece of legislation and said he was "happy to sign it."

This legislation largely puts in the discard the Appleton rule that has been the principal road block to extensive exercise of multiple line underwriting powers. Under the Appleton rule, a company was not permitted to do any kind of insurance outside of New York that it could not do within that state.

It was recalled that in New York in 1946 multiple line reinsurance was authorized by law as well as legislation to permit the writing of the personal property floater by casualty companies. The full coverage automobile and aircraft and foreign direct underwriting bills were passed in 1947. There are 37 states permitting full multiple line underwriting.

Care in Handling Loss Emphasized by Gehrig

NEW YORK—Realizing how the man feels who has suffered his first loss is the important feature of handling a claim, Arthur W. Gehrig, superintendent of claims of Potomac, told the Insurance Accountants Assn. at its April meeting.

The claim for his loss is insured's first real contact with the workings of the insurance company. Insured often has misgivings about the adjuster and company and in order to avoid any paring process by the adjuster, he will pad his claim beyond all reason. It is imperative the adjuster remember this and dispel this erroneous conception from the mind of insured.

Arkansas Assn. Sponsors "Educational Clinic"

Sixty persons from Little Rock agencies attended a regional one day "educational clinic" held by Arkansas Assn. of Insurance Agents. The "clinic" opened with a general session devoted to explaining and analyzing three new pieces of legislation affecting local agency operation, agents' qualification law, financial responsibility act, and fair trade practices act for insurance, all passed by the 1949 Arkansas legislature. The discussion was led by a panel consisting of E. Grainger Williams, association educational chairman; Commissioner Graves, I. C. Sparks, St. Paul Group; George D. Suter, manager Arkansas inspection and rating bureau; Leavell R. Smith, E. H. Noble & Co., and Henry A. Ritgerod, L. V. Martin & Co., general agents.

Mercantile Loss in Chicago Suburb \$500,000

Insurance loss to buildings, contents U. & O. and rents in the fire attacking structures in the shopping section of Elmwood Park, Chicago suburb, is estimated at \$500,000. The insurance loss to buildings and contents is about \$400,000 and besides the U. & O. and rents loss may run about \$100,000. Sherman Frocks, one of the victims, had no insurance.

Biggest loss was to Alden's, Inc., the estimate being \$200,000 to contents plus U. & O. Others involved are Gaytime Frocks, Bertrand's Shoe store and Lucky Liquors.

This was, generally speaking, one building. What appeared on the maps as fire divisions and fire walls actually were simply tile walls, that did not run through the roof. There were no parapets. The ends of the trusses of each store section butted together over a lally column which was in each partition wall. There was no fire cut-

off Fire apparently started in Gaytime Frocks and spread east and west through the roof construction because there were no fire cutoffs at each partition wall.

C. P. Butler Texas Speaker

Charles P. Butler, newly-appointed executive vice-president of National Assn. of Insurance Agents, will address Texas Assn. of Insurance Agents at its convention at Houston May 20-21.

Up Iowa Commissioner \$500

The Iowa legislature approved a \$500 salary increase, from \$6,000 to \$6,500,

for the insurance commissioner. A flat \$500 increase was approved for all elective officials and department heads.

The insurance department appropriation was increased to \$97,360 a year. Examiner's salary was changed from a per day scale to \$150 while working on foreign companies and \$120 for domestic. Assistant examiners will receive \$90 a week.

John H. Carney, Eau Claire, Wis., past president of Wisconsin Assn. of Insurance Agents, has been elected vice-president of Eau Claire Chamber of Commerce.

Albany Board Reelects

John F. Feldman was reelected president of Albany (N. Y.) Board of Underwriters at its annual meeting, as were the other officers: Vice-president, Edward J. Dignum; secretary, Alexander J. Young, and treasurer, Charles A. Porth.

Roland H. Lange, of Hartford Fire, addressed Kalamazoo Assn. of Local Agents on "Sifting the Ashes." William Pierce was chairman of the meeting, and Harry V. Wilson, president of the association, presided.

How can A&H be made SIMPLER?

THESE FOUR NEW PRODUCERS' SALES HELPS HOLD THE ANSWER

"Make it simpler—easier to specify and we'll sell more," said producers when asked why Income Protection was today's most neglected field. And that is just what is achieved in Fireman's Fund Basic Equity Accident and Health program. In these four new "sales helpers" all Basic and Optional coverages to meet practically any demand for Tailor-Made policies are quickly available for reference in clear, simple, straightforward terms. Send for the complete set or ask your Fireman's Fund fieldman.

SELL INCOME PROTECTION...TODAY'S MOST UNDER-INSURED OPPORTUNITY

Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

FIREMAN'S FUND INSURANCE COMPANY
HOME FIRE & MARINE INSURANCE COMPANY
WESTERN NATIONAL INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY
WESTERN NATIONAL INDEMNITY COMPANY

SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA • LOS ANGELES

REGULAR INCOME when Misfortune Strikes

When Accident

AVOID FINANCIAL SET BACK FROM FORTY WILDEYES

BILLS!

STRENGTH
PERMANENCE
STABILITY

Ala. Assn. Holds Mid-Year Session

The mid-year meeting of Alabama Assn. of Insurance Agents at Huntsville delegated power to the executive committee to select members of a special conference committee to bring proposals to S.E.U.A. pertaining to insurance in Alabama.



Jesse C. Hearn



Neal Morgan

It will make a study of recommendations to be made to S.E.U.A. and pass them on through the executive committee to a central committee representing the agents in all the S.E.U.A. states, to the executive committee of S.E.U.A.

The executive committee was given power to decide whether or not to abandon the mid-year meeting and adopt in its place a series of regional meetings. The next regional meetings will be held at Mobile May 16 and in Dothan the next day or shortly thereafter. As in the case of the previous meetings non-members will be invited; as will members of the legislature.

To Repeat Short Course
The educational committee recommended that the short course school at the University of Alabama be repeated this year, the first week in August, with

the school divided into an advanced class and a regular course, as was done in 1948.

This year's convention will be held at Birmingham the middle of October, subject to subsequent arrangements as to hotel accommodations and the necessary preparations. The business meeting of the association approved this action.

Jesse C. Hearn of Roanoke, state national director, discussed the directors' meeting at San Francisco. Wilbur K. Allen, chairman of the southern territorial conference, who went to the San Francisco meeting with Mr. Hearn, supplemented the report.

President Neal Morgan presided at the business sessions while Chris B. Heinz of Selma, chairman, directed the meeting of the executive committee.

The evening of April 22 was devoted to a cocktail party and dinner given by the Huntsville board. A musical program was presented at the dinner, followed by an address by Andy Floyd, personnel director of Huntsville Manufacturing Co. Joe E. Cooper, president of the Huntsville board, presented as special guests Wm. M. Beck, speaker of the Alabama house, and Carl Morring, member of the house from Madison county.

Education Forum Held

The closing session was an educational forum led by Wilbur K. Allen of Birmingham, with more than 50 agents and company men participating. The panel of discussion leaders included: W. O. Thomas, Birmingham, vice-president of the Alabama association; Parks Hunt, Atlanta, vice-president of Hurt & Quin; George H. Butler, Anniston, member of the committee on rates, rules, and forms; Charles Simons, Atlanta, state agent for Phoenix of Hartford; J. B. Chapman, Birmingham, state agent for St. Paul group.

The association's proposals for the establishment of an insurance department in the place of the present bureau of insurance and bureau of rates was dis-

Dwellings Still Are Underinsured

NEW YORK—The extent of under insurance, in number of properties and in amount, is not as substantial as it was a few years ago but a lot of loss reports still come in with the sound value shown at more than the insurance carried, particularly on dwellings, according to E. P. Smith, U. S. manager of Norwich Union Fire.

Norwich Union sought to overcome this deficiency by checking all renewed policies to determine if there had been an increase in the amount of insurance during the term of the contract. If there had not been, the company notified the

cussed in the meetings of both executive committee and that of the membership. Wilbur K. Allen, chairman of the legislative committee, presented the subject. President Morgan reported on correspondence he had had with the director of commerce, which revealed the opposition of that official, and urged that every member of the association contact the legislators from his district and explain the matter and request their support of the proposal.

Mr. Morgan pointed out the need of more expansive and detailed supervision, and made it clear that the association is acting only in what it is convinced is the public interest. He emphasized that the group is not seeking the addition of another state agency, but to take the bureau of insurance, the bureau of rates, and perhaps the fire marshal's office out of the department of commerce and set them up in one department to function separately instead of being incidental segments of the department. The effect actually is the combining of the present bureaus supported by the insurance business into one office, and making it possible to have exclusive funds and personnel.

producer by form letter, suggested an increase by at least a certain percentage in insurance. Then on every loss where the sound value is shown as being greater than the insurance, the company notified the producer. The program produced some results, but is not being used currently. The company may reinstate the plan at some future time when production forces are somewhat more interested in developing additional business.

Frequent on Modest Properties

Underinsurance on dwellings seems to arise the most frequently where the same producer has been writing the property for some years and automatically renews it from year to year. It shows up often on dwelling properties that are not high in value, where the amount of insurance is small, and the remuneration to the agent is insignificant. The same thing holds true of household furniture policies, on which the amount of insurance is seldom realistic.

Where the producer does not notify the owner, the owner is not apt to think of an increase in insurance unless he is considering the sale of his property or unless he is buying. On business property, partly because of the coinsurance feature, and partly because of the greater returns involved, the insurance is kept up to value.

The lack of insurance to value has had a bad effect on the dwelling class of risk, Mr. Smith pointed out. Inasmuch as most losses are partial, companies frequently pay up to the amount of the insurance on partial losses. This means that they are not getting as much premium as they are entitled to.

See Electrical Film

The Newton (Kan.) Insurance Board held a joint meeting with the electrical contractors there to see a film on proper electrical fusing. An informal discussion of safe wiring methods followed.

FIRE and ALLIED LINES

REINSURANCE

**INTER-OCEAN
REINSURANCE
COMPANY
CEDAR RAPIDS, IOWA**

**PRO-RATA and
EXCESS of LOSS**



NEW YORK 90 JOHN ST.

Huge Texas City Damage Case vs. U. S. Is Under Way

HOUSTON—The U. S. government was charged Tuesday in federal Judge Kennerly's court here with responsibility for the disaster which struck Texas City in April, 1947, killing more than 500 persons and injuring several thousand.

In a consolidated case in which nearly 300 separate suits are joined the plaintiffs contend that the government manufactured the fertilizer grade ammonium nitrate aboard the French steamship Grandcamp and shipped it without warning of the dangers connected with its handling.

Judge Kennerly overruled the government's motion for a postponement, then denied a motion for a judgment in favor of the government. The government denied charges of negligence, contending that the fertilizer was not inherently either a dangerous or an explosive material. Assistant U. S. Attorney J. W. Cash said that when trial is completed the court will have all the facts and that the superficial case built against the government by a seven member committee representing some 200 plaintiff lawyers would disappear.

Cash said if the court found the government liable for damages caused, the taxpayers would pay the costs.

Thomas Fletcher is conducting the case for the plaintiff's committee. Monday was consumed with opening statements of each side.

This trial will determine whether or not government is liable and if so the dollar and cent damages must be determined by later trial.

Fletcher said he had a wagonload of depositions collected from all over the country during the past year and said the case might take from three to six months.

The first deposition was that of Maj. Gen. Everett S. Hughes, chief of ordnance of the army, who said that nobody knew of the danger in handling the fertilizer.

Chicago Firm Now T. M. Dunlap & Co.

The firm name of T. J. Houston & Co., general adjusters of Chicago, is being changed to T. M. Dunlap & Co., and will be headed by T. M. Dunlap. Affairs of the company have for some time been administered by Mr. Dunlap in the absence of T. J. Houston, who died March 31 after a prolonged illness.

Mr. Dunlap was associated with Mr. Houston since 1919, joining the firm after his discharge from the army. He is a past president of Adjusters Assn. He is well known in yachting circles, a past commodore of Lake Michigan Yachting Assn., and is now serving his seventh term as vice-president of North American Yacht Racing Union. He represented the U. S. on the international jury of appeal Olympic Yacht races, Torquay, England, last year.

This firm was known as H. W. White & Co. prior to 1913 when the name was changed to T. J. Houston & Co. Through the years they have handled the settlement of some of the largest property losses in this country.

Morgan Arkansas Deputy

Commissioner Graves of Arkansas has appointed Whit Morgan, Little Rock, to succeed the late J. W. Hatley as assistant commissioner.

Walter McLavey, Hot Springs, former Garland county deputy sheriff, is named deputy state fire marshal.

The Arkansas department is now preparing application forms and setting up the examination procedure to be followed in administering the new agents' qualification law which becomes effective June 10. After then all new agents will be required to secure from the

Commissioner a "qualifying certificate" before they can be licensed by any company.

Tax collections on 1948 premiums totaled \$1,700,000 as against \$1,400,000 on 1947 business. They are 2% on fire and casualty and 2½% on life premiums.

Prepare for Tenn. Auto Law

Tennessee agents have been requested to withhold advertising on the new Tennessee financial responsibility

law until May 19, three days after the state will have released information to the public about the act's requirements. The request was made so that it will not appear that the law is an insurance company measure. The law becomes effective July 1 and will require evidence of ability to pay damages up to \$10,000 for personal injury and \$1,000 for property damage.

Roy M. Bates has been named director of the automobile responsibility division of the state department.

Meet on Examinations

The examination committee of American Institute for Property & Liability Underwriters meets at Columbus Apr. 29-30. Dean Loman is chairman. The other members are E. L. Bowers, Ohio State University; Roy L. Davis of Chicago, Assn. of Casualty & Surety Companies; Wade Fetzer Jr., W. A. Alexander & Co., Chicago; David McCahan of University of Pennsylvania; M. L. Landis, Central Manufacturers Mutual; T. W. Sweeney and H. A. Murray, Jr.

An advertisement similar to this appears in SATURDAY EVENING POST, April 30



© Art Education, Inc., N. Y.

Signing of the Treaty of Ghent with Great Britain, Dec. 24, 1814, following the War of 1812. From the painting by A. Forestier. The American delegates, in civilian dress, from left to right: John Quincy Adams, Albert Gallatin, Christopher Hughes, James A. Bayard, Jonathan Russell, Henry Clay (seated), and an unidentified attaché.

Peace... and Development

The Treaty of Ghent brought the peace of mind that a young America needed to embark on a period of tremendous growth and prosperity. A carefully planned insurance program brings a similar peace of mind to individuals and business or-

ganizations with assets and investments to protect.

In choosing your insurance be sure to call in one of Great American's 16,000 local agents—or your own broker—and learn how the Great American Group of Insurance Companies can serve you.

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WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

State Seeks To Tax Insurance Exceeding Taxable Value

RALEIGH, N. C.—The North Carolina State supreme court heard arguments in a case involving the question of the right of the state to tax the amount of fire insurance proceeds recovered by an assured over and above

the amount the property was listed for taxes.

Mrs. Sylvia Speizan, owner of a warehouse at Charlotte, contends the state has no right to tax her \$2,636 on money she received from an insurance company for fire damage to her building. The state revenue department, on the other hand, contends that Mrs. Speizan realized a taxable profit when she received some \$55,000 insurance on a piece of property valued at only \$19,500 for tax purposes.

The entire amount of insurance in-

volved was put back into repairs. Superior court at Charlotte ruled in favor of Mrs. Speizan, and the revenue department appealed to the supreme court.

During the arguments before the supreme court it was brought out that a measure now is before the legislature which provides that if money received to compensate for property damage is used solely for restoring the property it is not taxable, although insurance actually may come to more than the property originally cost the owner. The bill already has passed the house and if it gets by the senate probably will decide the case in question and all future cases of its kind.

L. M. Michel Is Now Vice-President

Lincoln M. Michel has been elected vice-president of all companies comprising Fire Association group.

Mr. Michel was born in New Jersey, graduated from Williams College, and since 1933 has been with Fire Association. In 1938, after four years of special agency work in New York state, he was assigned to duties in the head office, becoming manager of the Philadelphia department in 1943. A year later he was elected secretary. Toward the end of 1948 he relinquished this supervision and assumed executive duties, which responsibilities he will continue to discharge.



L. M. Michel

Thain Edits "Insurance Exchange Magazine"

Richard J. Thain has been designated editor of the "Insurance Exchange Magazine", monthly National Underwriter publication which serves insurance readers in Chicago and Illinois.



R. J. Thain

Mr. Thain has been on the editorial staff of THE NATIONAL UNDERWRITER for four years. He was educated at Northwestern and was a daily newspaper reporter in Chicago before the war.

Mr. Thain was in the service, most of the time as editor of the third air force newspaper. He continues as assistant editor of THE NATIONAL UNDERWRITER.

History of Babaco Alarm

The Babaco Alarm Systems have published a handsome booklet, "Inside Babaco," describing the work of the organization and the effect of the truck alarms they manufacture in reducing thefts and hijacking of goods. The alarm is only 17 years old.

Approximately \$250 billion worth of truck cargoes have traveled under Babaco protection in the 17 years the alarm has been in use and have reached their destination in safety. There has never been a loss due to a Babaco failure. As a result of the effectiveness of the alarm, many insurance underwriters require alarms on target lines and recommend it for all lines.

Duffus at Cleveland

The care with which the motoring public drives automobiles this year is a factor in determining next year's casualty insurance rates was emphasized by Roy A. Duffus of Rochester, N. Y., in addressing a meeting of Insurance Board of Cleveland.

Bank Men Say Not Yet Time to Reduce Home Cover

A panel of New York savings bank insurance directors at their third annual forum at Syracuse decided against lessening the standards required of fire companies that insure homes on which they have mortgages. The group agreed to adhere to its present capitalization and surplus requirements.

The question, "Is there a public relations value in suggesting reduction of amount of insurance if and when replacement costs go down?" was discussed. The time for that apparently has not arrived yet although replacement costs are leveling off, it was decided.

Among other subjects discussed were the new disability benefits law, multiple line underwriting and package policies, comprehensive general liability, appraisal costs, valuable papers, workmen's compensation and bankers' blanket bonds.

Laurence E. Falls, secretary Insurance Institute of America, discussed education vs. experience in insurance. Some 40 member banks were represented. Next year's meeting will be held at Albany. Moderator was Homer F. Smith, Seamen's Bank for Savings.

Insurance Is Interpreted

The May edition of "Better Homes & Gardens" contains an excellent article setting forth many features of insurance, in words that are easy to understand for the uninitiated. There is a lucid explanation of such features as extended coverage and coinsurance, and the importance of making inventories of belongings is emphasized. The author is Ray Giles.

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RESPONSIBILITY weighs heavily on the shoulders of the Saint Paul Companies. We never treat it lightly. Consider our loss-paying record. All of our obligations have been paid in full. You are safe in considering us as a silent partner of the named assureds in our contracts. It pays to rely on the Saint Paul Companies! Members American Foreign Insurance Association, offering world-wide insurance facilities.

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155TH ANNIVERSARY

1948

THE INSURANCE COMPANY
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NEW YORK

NEW YORK LOSSES UP

Incurred losses in its territory, according to the New York Board, totaled \$4,272,645 in March, 1949, on 408 losses, compared with \$1,251,200 and 488 in March, 1948. For the three months of 1949 the amount was \$7,918,766 on 1,058 losses compared with \$4,701,043 on 1,250 losses.

RED CROSS FEATURE

The Red Cross recently set up shop on the 15th floor of 55 John street, New York, with a complete assortment of blood letting equipment, cots, kitchen, refreshment stand and an array of nurses. A considerable quantity of blood was let and there were no casualties.

Led by their top executives, 90 volunteers from Appleton & Cox, William H. McGee & Co., General of Seattle, Carpenter & Baker and Talbot, Bird & Co. gave blood. In the forefront of the 90 volunteers were D. Farley Cox, president of Appleton & Cox; Owen E. Barker, executive vice-president, and Curtis Bird, vice-president of Talbot, Bird & Co.

Travelers donated space for this performance.

POLLEN LONDON CHIEF

The court of directors of London Assurance announce the retirement on June 25, for reasons of health, of the general manager, Sir Arthur E. Morgan, who will at the same time be resigning his directorship of the corporation.

J. A. Pollen, assistant manager of London Assurance, has been appointed as the new general manager, and G. G. Beamish, at present secretary, has been appointed deputy general manager and secretary.

CHICAGO

"FIRE PROTECS" 25TH

Fire protection engineering graduates of Illinois Institute of Technology (formerly Armour Institute) will take a prominent part in the alumni association reunion at the 32nd street campus in Chicago May 20, in view of the fact that this is the 25th anniversary of the first insurance scholarship class at Armour. It so happens that John T. Even, assistant western manager of Fireman's Fund, and an Armour "fire protec" of 1928, is general chairman for the entire reunion. L. T. Thoelecke, head of the Great Lakes agency of Chicago, is in charge of the activities for the fire protection engineering group.

Preceding the reunion, there will be a special gathering of the fire protection engineering group.

SAFETY SHOW CARD

Insurance representatives are slated to take a prominent part in the annual Midwest Safety Show sponsored by Greater Chicago Safety Council May 2-5.

At a session on psychological factors in industrial accident prevention, W. A. Eggert, chief psychologist of Lumbermen's Mutual Casualty will serve as vice-chairman.

At the fire prevention session, Richard E. Vernor of Western Actuarial Bureau will be chairman and Norman H. Davis, Jr., Underwriters Laboratories, vice-chairman. Emmett T. Cox of Western Actuarial Bureau will give a talk on "Are You Prepared for an Emergency?" and then there will be an industrial fire safety panel, the leader being John J. Ahern, director of the fire protection engineering department of Illinois Institute of Technology. One of the members of the panel will be Elmer J. Reske, manager of Cook County Inspection Bureau.

At the meeting on industrial hygiene and health, the speaker will be H. A.

Thiemann of Hartford Accident, who will talk on new insecticides, exterminants and fumigants and their health aspects.

Fred Cook, director of hygiene of Bituminous Casualty, will give a paper on "Hazards Often Overlooked" at the chemical hazards meeting.

Chairman of the session on new factors in the electrical field is J. H. Kraus of Liberty Mutual, and one of the speakers will be A. L. Dowden, safety engineer of Liberty Mutual.

In the session on controlling construction accidents, the chairman will be R. M. Kramer, supervising engineer of Employers Mutual Liability, Chicago and one of the speakers will be O. S. Holmskog, construction engineer of Employers Mutual Liability.

On a session labeled "Package Safety for Smaller Plants" the chairman will be A. R. Graham, supervising engineer of Bituminous Casualty and there will be a feature entitled "A Safety Graph Comes to Life," the participants being mainly insurance people, as previously announced.

At the session of fire, health and accident hazards in eating establishments, chairman will be R. C. Peterson of the fire protection department of Illinois Institute and the vice-chairman, W. G. Meade, safety engineer of Hartford Accident, Chicago. One of the speakers will be R. E. Dalstrom of Lumbermen's Mutual Casualty.

At a meeting called "Learning the Easy Way" the chairman will be W. D. Keefer, second vice-president of Lumbermen's Mutual Casualty, and vice-chairman J. C. Stennett, director of

PROOF

OF THE VALUE OF A PROTECTION SYSTEM
IS ITS RECORD IN MINIMIZING LOSSES

Proof of the remarkable efficiency of ADT Protection Services in minimizing fire and burglary losses is presented in the accompanying record for 1948.

These figures warrant the thoughtful consideration of all individuals and organizations concerned with the protection of property.

Of special significance is the high ratio of immunity from losses established during the past ten years, forcefully demonstrating the consistent, year-to-year effectiveness and value of ADT Protection.

ADT Central Station Services are available in more than 500 municipalities in the United States. Elsewhere the same systems are furnished for local operation or with direct-to-fire department connection, including all-important ADT inspections, tests and complete maintenance.

Write for booklet "Protecting Life and Property," describing ADT Services.

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AMERICAN DISTRICT TELEGRAPH COMPANY
155 Sixth Avenue New York 13, N.Y.
CENTRAL STATIONS IN ALL PRINCIPAL
CITIES OF THE UNITED STATES

ADT

1948 PERFORMANCE

BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection	1,902
Entrances effected	1,054
Captures as result of burglar, holdup and other emergency alarms	750
Insurable values of properties protected	\$2,238,189,000
Ratio of losses to insurable values protected	1/100th of 1%
Burglary loss immunity in 1948	99 99/100%

AVERAGE BURGLARY LOSS IMMUNITY
DURING THE PAST TEN YEARS **99 99/100%**

WATCHMAN'S REPORTING AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal Central Stations on schedule	210,379
Total number of signals recorded	356,308,792
Watchmen's patrol efficiency	99 94/100ths %
Alarms from Manual Fire Alarm Boxes	1,460
Insurable values of properties protected	\$15,097,547,000
Ratio of losses to insurable values protected	4/100ths of 1%
Fire loss immunity in 1948	99 96/100%

AVERAGE FIRE LOSS IMMUNITY
DURING THE PAST TEN YEARS **99 96/100%**

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems	180,571
Waterflow alarms, caused by fires or serious leaks	3,545
Manual fire alarms	108
Insurable values of properties protected	\$8,011,877,000
Ratio of losses to insurable values protected	2/100ths of 1%
Fire loss immunity in 1948	99 98/100%

AVERAGE FIRE LOSS IMMUNITY
DURING THE PAST TEN YEARS **99 98/100%**

*Not including ADT protected values in bank vaults, the U. S. Treasury, 26 Federal Reserve Banks and branches, the U. S. Mints and the U. S. Bullion Depositories at Fort Knox, Ky., and West Point, N. Y.

safety of American Mutual Alliance.

John Ahern will be chairman of a session entitled "Managing Men Instead of Machines."

New W.U.A. Committees

Following the annual meeting, the committee setup of Western Underwriters Assn. has been revised. The only change in chairman is that E. S. Purcell of Hartford Fire becomes chairman of the committee on cooperation in loss adjustment practices. The other chairmen who are reappointed are Charles E. Dox of London & Lancashire, arrangements; E. A. Henne, America Fore, conference; C. W. Ohlsen, Sun, finance; J. C. Harding, Spring-

field F. & M., fire protection engineering; E. S. Whitcombe, Hartford, forms; F. L. Ludington, Atlas, maps; Paul H. Barr, Hanover, membership; M. E. Peterson, Springfield, public relations, and S. T. Shotwell, North British, San Francisco, Rocky Mountain.

Governing Committee

The governing committee remains the same, the members being S. M. Buck, Great American; H. C. Conick, Royal-Liverpool; Mr. Ludington, Mr. Ohlsen, C. H. Smith, Hartford Fire; Mr. Harding, Mr. Henne, E. D. Lawson, Fireman's Fund; A. F. Powrie, Fire Association; John P. Young, Jr., American, and the officers.

CHICAGO OFFICES MOVE

The western department office of Rhode Island has been moved to A-1746 Insurance Exchange.

Yorkshire has moved its offices in Chicago from A-1249 Insurance Exchange building to A-1117 Insurance Exchange building.

Wolverine has transferred its Chicago branch from 111 West Jackson boulevard to 1607 Howard street on Chicago's far north side. The new phone number is Hollycourt 5-0330.

National Mutual Church has moved its head office from 11 South La Salle street to 309 West Jackson boulevard in Chicago.

The Chicago office of New Hampshire and Granite State has moved from 1845 Insurance Exchange building to larger quarters at room 706, 309 W. Jackson Blvd. The western marine department also has taken up quarters at the new address.

A. S. Koehler of America Fore was elected president at the annual meeting of Assn. of Fire Insurance Examiners of Chicago. J. G. Spitz, Fireman's Fund was elected vice president; Robert Kille, Hartford, secretary; Robert Hafner, Aetna Fire, treasurer; William Cameron, Hanover, director.

The retiring president, H. D. Hendricksen of Great American was presented with a Gladstone bag.

FIELD

Independent Adjusters Are Bay State Club Guests

BOSTON—Bay State Club, composed of stock company field men, further cemented cordial working relations with independent adjusters at its April dinner, having previously entertained company adjusters. Members of the newly organized Assn. of Independent Adjusters of Massachusetts and other independent adjusters were guests. Attendance was 150.

Donald B. Sherwood, general adjuster of National Board, said there is definitely a place for the independent adjusters, and that the National Board and the companies welcome them. The National Board wants as complete a list of independent adjusters as can be obtained, to furnish them all the rules, regulations, orders and other tools of use to adjusters.

William McAuliffe of the Massachusetts department of public safety, explained the Massachusetts false claim law and urged field men to report promptly any suspicion of falsified claims. Sydney S. Everston of Underwriters Salvage Co., explained its operation.

Herterich Special Agent

Frank Herterich has been advanced to special agent at Philadelphia of General Accident and Potomac.

He started with Potomac as an underwriter in the inland marine department, and subsequently was trained in fire underwriting and loss departments. He also has had training in all underwriting divisions of General Accident, and will operate as a special agent for multiple lines.

Neb. Field Gathering May 16

Nebraska Fire Underwriters Assn., Nebraska Blue Goose and Nebraska Fire Prevention Assn., will hold a joint meeting at Omaha, May 16. Walter G. Dithmer, public relations director of W.U.A., will represent that organization at the meeting.

Annual Field Rallies

In addition to the annual gatherings of field men in the western states that were previously announced, it is now arranged that North Dakota Fire Un-

derwriters Assn. will have its meeting at Fargo June 6; Tennessee field men June 14-16 at Look Out Mountain Hotel, Chattanooga, and Minnesota, June 22-23 at Robert's Pine Beach Hotel, Brainerd.

Seminole, Okla., Inspected

Twenty-four field men attended the inspection at Seminole, Okla. R. E. Vernor, Western Actuarial Bureau, addressed high school students and a Junior Chamber of Commerce luncheon. J. N. Jones, Phoenix Assurance, gave a 15-minute radio talk.

Ohio Blue Goose Plans

At the annual meeting of the Ohio Blue Goose at Columbus May 2 Supreme Court Justice James G. Stewart will give an address at the afternoon business meeting while Joe Harter will serve as master of ceremonies at the banquet. Glenn T. Graf is chairman in charge of the meeting.

Fete Pa. Field Veterans

Three retiring members of Smoke & Cinder Club of Pittsburgh, Andrew K. Black, Jr., Phoenix of Hartford; John E. Sautter, St. Paul F. & M., and L. M. Stephens, Loyalty group, were honored at the April meeting. Each man was presented with an appropriate gift.

Install Austin Puddle

Alamo Blue Goose, San Antonio, held its April meeting at Austin to institute the Austin puddle. A team composed of past most loyal ganders initiated 16 candidates.

Officers of the Austin puddle are: W. A. Drum, General Adjustment Bureau, big toad; Harold G. Reinhackel, Reinhackel General Agency, polliwog; John W. Gainer, Hammerman & Gainer Adjustment Co., croaker, and Gerald Kinney, Crum & Forster, bouncer.

Alamo Field Club of San Antonio will inspect San Marcos May 17-18. It will be the first inspection undertaken by the club.

Morris Kahn, Federal Life, president of Springfield A. & H. Assn. addressed a dinner meeting of Springfield, Ill., Assn. of Insurance Women.

BOILER SPECIALIST

One of the large offices has a very attractive opening in their Boiler & Machinery department for a man with a sales & engineering background to work with agents on large lines. This man must be thoroughly experienced in these lines. Salary is well above the average.

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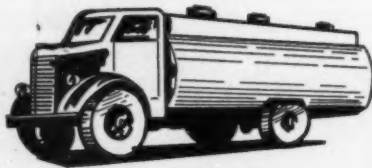
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Correction of Fireman's Fund group figures in Argus Fire Chart.

Company	Net Premiums Written	Losses Paid Incl. Adj. Expenses	% of Premiums Written	Premiums Earned	Unearned Premiums	Increase in Unearned Premiums	Losses Incurred Incl. Adj. Expenses	% of Premiums Earned	Underwriting Expenses Incurred	% of Premiums Earned	Gain from Underwriting & Profit & Loss Items	Gain from Investments	Federal Income Tax Incurred	Div. Decl. or Ret. (—) or Item (+)	Increase in Special Reserves	Other Changes in Surplus	Net Increase in Surplus
45. FIREMAN'S FUND																	
Fireman's Fund	59,339,568	27,094,496	45.5	52,915,356	45,166,632	6,424,222	27,573,953	52.1	21,390,162	40.4	3,767,483	932,415	1,329,841	2,110,949	.....	+12,872,768	14,131,876
Home F. & M.	11,126,173	5,067,091	45.5	9,921,629	8,468,743	1,204,543	5,170,113	52.1	4,010,656	40.4	750,192	265,826	224,407	200,000	.....	—9,192	582,419
Western Natl.	3,708,724	1,689,030	45.5	3,307,210	2,832,914	401,514	1,723,375	52.1	1,336,894	40.4	283,825	133,803	75,597	120,000	.....	+5,609	237,640
Western Natl. Indem.	6,246,607	485,515	7.7	2,082,037	4,214,570	4,214,570	1,176,400	57.8	2,302,809	113.3	—1,446,181	42,761	.....	.....	.....	+1,991,969	588,549
Total	80,421,092	34,266,122	42.6	68,176,232	60,672,859	12,244,869	35,642,850	52.3	29,040,511	42.6	3,356,319	1,874,905	1,629,845	2,430,949	.....	14,861,154	15,540,484
Fireman's Fund Indem.	28,550,406	12,219,511	42.4	25,636,655	13,033,013	5,559,239	11,529,339	45.0	11,074,031	43.2	—1,396,076	686,600	.....	315,000	.....	—34,515	—1,063,961

On page 138 of the 1949 edition of the Argus Fire Chart due to a transposition of lines the consolidated results of the Fireman's Fund group are badly scrambled. The figures shown for Western National Indemnity are actually the totals of the fire companies in the group including Western National Indemnity, which is engaged in fire reinsurance. The figures shown as the total line are actually those

of Fireman's Fund Indemnity while those shown for that company are the figures of Western National Indemnity.

The correct figures are shown above in space identical to that in the chart. Users of the Argus Fire Chart are urged to paste this exhibit in the appropriate place in their charts.

Multiple Line Measure Is Enacted in Iowa

DES MOINES—A large number of insurance bills which had been previously approved by the senate, went through the house of the Iowa legislature on the final day and were sent to the governor.

One of the major bills approved was a multiple line measure which will permit companies with \$500,000 surplus to policyholders to write any type of insurance except life. Under the present Iowa law companies are unable to write multiple lines except on a reinsurance basis with \$1 million surplus.

Continuous Licensing Approved

Another bill passed eliminates the necessity of insurance companies printing the Iowa short rate table on policies.

One bill passed was an unauthorized insurers process act which sets up a procedure for service of process on unauthorized companies which was mainly aimed at mail-order insurance companies. Under the act policyholders may bring suit through the insurance commissioner and the case will be tried in Iowa.

The Iowa department was given approval, under another bill passed, to set up a continuous licensing system for all agents. Under the act all companies must file with the department by April 1 of each year an alphabetical list of its agents and in addition a list of all agents that have been canceled. The fees would remain the same at 50 cents

for domestic companies and \$2 for foreign companies and non-resident agents.

Another bill approved permits the insurance department to make examination of companies every three years instead of two years as required in the past.

Iowa insurance companies will be able to deduct their debts from the value of preferred or guaranteed stocks they hold when computing the amount of money and credits tax, under another bill passed. The bill carried a section making its provisions retroactive to 1947

tax assessments, payable in 1948.

It was revealed during debate that the bill will save several Des Moines companies large amounts in taxes and would cancel several lawsuits pending in Polk county district court over the moneys and credits tax.

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April 25, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	84	Bid
Aetna Life	1.80*	51 1/2	53
Aetna Fire	2.50*	56 1/2	57 1/2
American Alliance	1.10*	24	25
American Auto	1.60	46	48
American Casualty .....	.80	13	14
American (N. J.) .....	.70	17	18
American Surety	2.50	59	61
Boston	2.40	66	68
Camden Fire	1.00	21 1/2	22 1/2
Continental Casualty	2.00	56	57 1/2
Fire Association	2.50	61	62 1/2
Fireman's Fund	2.60	79	81
Firemen's (N. J.) .....	.50	15 1/2	16 1/2
Glens Falls	2.00*	48	50
Globe & Republic .....	.50	10 1/2	11 1/2
Great Amer. Fire	1.30*	33	34 1/2
Hanover Fire	1.40	31	32
Hartford Fire	2.50*	124 1/2	126 1/2
Home (N. Y.)	1.30	29	30
Ins. Co. of North Am.	3.50*	107	109
Maryland Casualty .....	.50	14 1/2	15 1/2
Mass. Bonding	1.60	27 1/2	29
Merchants Fire N. Y.	1.15*	27	28 1/2
National Casualty	1.45*	25 1/2	26 1/2
National Fire	2.00	53	55
New Amsterdam Cas.	1.20	29 1/2	30 1/2
New Hampshire	2.00	43	44 1/2
North River	1.00	25	26
Ohio Casualty	1.00	49 1/2	Bid
Phoenix, Conn.	2.00*	84 1/2	86
Preferred Accident .....	.....	3 1/2	4 1/2
Prov. Wash.	1.40*	32 1/2	34
St. Paul F. & M.	2.25*	86	88
Security, Conn.	1.40	33 1/2	35
Springfield F. & M.	1.90	45	47
Standard Accident	1.45	33	34 1/2
Travelers	22.00*	672	682
U. S. F. & G.	2.00*	51	53
U. S. Fire	2.00	57	59

*Includes extras.

Propose Reforms in Financed Cover

(CONTINUED FROM PAGE 1)

promptly notified of any cancellation or change in the policy or certificate, except if cancellation is by surrender of purchaser's copy of the policy, accompanied by a signed request from named insured for cancellation. Cancellation would be effected as on other policies of insurer with full responsibility on the company of having evidence in its home office that notice has been properly sent.

The producer would be credited with the unearned return premium in case of cancellation by company with prompt repayment thereof. The producer's records would be available for inspection of the insurer and the insurance depart-

ment at all times to show proper repayment of unearned premiums received from the insurer. Cancellation by insured would be on a short rate basis.

Use of Another Adjuster

Claims would be reported promptly by the finance factor to the insurer's claim agent or representative, and adjustment would be made strictly in accordance with policy terms by qualified representatives of insurer. The named insured, including the purchaser or borrower, could request adjustment by an adjuster other than that of the finance company or insurer, and the insurer

agrees to pay for his services in full. At present under such circumstances insured, purchaser or borrower is supposed to pay the cost of this kind of adjustment.

There could be no agreement under which the agent would retain any portion of premiums received for payment of losses incurred or to be incurred. Claim payments would be made either by draft drawn on the insurer or by check of the insurer to the order of claimant to whom the claim payment is due, pursuant to policy conditions, or on direction of the claimant.

No insurer could have or continue an agency contract that provides it is held harmless against losses. Agency contracts providing for payment of commissions on a contingent basis, depending in toto or in part on losses, would require the company to assume the full insurance risk with only payment of commissions being allowed upon a contingent basis. Commissions earned or paid under this kind of agreement would not be recoverable by insurer due to any arrangement between company and agent calling for recovery of commissions once paid in event of subsequent losses, except as may occur in event of an error in calculation of the commission account. In case of a cancelled agency contract insurer may require a hold harmless agreement in lieu of a blanket cancellation to protect a run-off of existing policies.

There will be no contingency commission arrangements under which the agent pays a specified or guaranteed commission to subagents, producers, or other representatives while the agent receives commission compensation upon a contingent basis.

"PACK" CRITICISM

One of the chief criticisms of commissioners seems to be that the finance company in its package deals overloads the borrower with insurance. Mr. Jackson said that Missouri has no small loan law, and that the finance company acts as agent for the insurer. The finance company loads the borrower down with about double the amount of the loan in life insurance and accident and health. However, Missouri has pretty well corrected this by department regulation and the complaints on this score now have declined.

In small loan law states, such as New York, Massachusetts, and Florida, Kirk A. Landon, Retrospective Insurance Underwriters, Miami, said lenders have a permanent legal rate of interest. This may run 30 to 40% a year. The cost and risk of making small loans means that companies in this field end up with only a normal profit even with that kind of an interest return. Without such laws, in the states that do not have them, these finance companies need a tie-in transaction in order to make a go of it. Insurance provides a legitimate transaction, and lenders have no other way to stay in business except by making a return on insurance.

Effect of More Competition

With the automobile market becoming as competitive as it is today, dealers and finance companies cannot pack insurance charges because it will preclude the sale of their automobiles, William R. Snyder, president of Central National of Omaha, said. There have been some abuses of the pack in the past, but times are changing, and he didn't think there would be so much of this "packing" now.

In New York there have been a number of complaints from purchasers stating that when making the automobile finance deal they are told they have insurance, Mr. Bohlinger said. Then they start out driving and have an accident. Then for the first time they discover they have no third party insurance.

That does represent quite a problem, Mr. Landon admitted. Washington requires insurers to put in bold type on the face of the policy that liability and property damage are not covered. This

avoids misunderstanding, and he suggested other states could adopt some rule of this kind.

Policyholders are being loaded with life and accident and health when they purchase an automobile, Mr. Harrington said. He asked for an expression from a finance company representative, and Richard Cass, Mid-States, Chicago, which is owned by a finance company, agreed to discuss the matter. He said he was familiar only with the pack used by his own company which is similar to the motor club type packs. There is a small health and accident policy requiring a \$1.20 annual premium, and credit life insurance, the cost of which is based on rates filed with the various states. The pack includes a bail bond, but there is no separate premium charged for that; it is included for the pack price. The charge for the pack is \$8, \$10 or \$12, depending on the amount and rates for credit life insurance. The towing charge is shown, and the charges are shown for the life and the accident policies. There are other items in the pack, including routing, maps, and the privilege of borrowing \$100 in case of emergency. Taking of the package is purely optional, he said.

Same Charge, Varying Amount

The chief complaint in Pennsylvania is that the price for the pack does not vary, whether the credit life insurance contained therein is \$300 or \$1,500, Mr. Alexander said.

The pack is optional, Mr. Cass insisted, and said his company writes the pack with only about 10% of the finance automobile deals, in the most "favorable" state.

Insurance is over-emphasized by the finance companies so that the customer believes he is getting more than he actually does get, Mr. Wagner said. The fact that there is no B.I. and P.D. is

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not revealed clearly. Why not, when the note is being signed, show separate charges for financing and insurance, he asked.

This is hard to do because the note is signed in the presence of the dealer, and the dealer uses a chart showing the total charges, Mr. Cass said. Mr. Wagner wondered why they couldn't have a different chart. There are too many classifications in the automobile manual, Mr. Cass replied. Then how does the dealer know his total, Mr. Wagner asked. He takes an average charge for insurance, Mr. Cass replied. How does this comply with the rating laws, Mr. Wagner asked.

Separate Charges Would Help

If the insurance charges were shown separately, together with the insurance charges buy, a good deal of trouble would be eliminated, Mr. Wagner said. Mr. Alexander said they do this in Pennsylvania.

An order in Missouri, Mr. Jackson said, requiring every agent or broker to provide a receipt to the borrower showing all items and the charges therefor, has worked there. The department suggested the form, and this is filled out at the time the note is signed.

HEARING'S PURPOSE

In opening the hearing, Mr. Allyn said complaints against insurance practices on financed automobiles were, the commissioners believe, in some cases justified. The commissioners feel strongly that to preserve state regulation they are obligated to move vigorously on elements or phases of the business not in the public interest. Either the commissioners must act or the federal government will. He didn't think that anything as formal as a code would come out of the committee exploration, but there should be set up principles for fair practices and fair dealing which would be followed countrywide. He said he would rather see the question tackled by the commissioners than by the Federal Trade Commission, and he thinks this is the alternative that faces the business.

John C. Blackall, vice-president of Resolute Fire, recalled that in the 1930s there were many complaints that the borrower did not have a policy and couldn't find out what insurance he had. The commissioners named a committee and came to the conclusion that the purchaser should be informed on the coverage, cost and breakdown of premium. Most states adopted this set of principles. Then the war came and there was a hiatus in automobile sales. Today competition for automobile business is becoming keen again.

Mr. Blackall emphasized that the filing of the memorandum as a result of the meeting of financed insurance representatives did not imply that there was an organization, conference, bureau, or anything, it was strictly an informal meeting among several of those interested in this type of business. He said that the finance insurance business doesn't want to be free from regulation, but on the other hand no formula will work indefinitely, it has to be modified from time to time to meet conditions. He thinks a memorandum provides a good basis for regulation.

Code of Ethics

Mr. Snyder called attention to the fact that the American Finance Conference has adopted a code of ethics, portions of which would answer many of the criticisms that have been made. Most of the complaints in Missouri used to come from dissatisfaction with claim adjustments, Mr. Jackson said. A number of them came from St. Louis. Complainants objected to agents settling claims. The department ordered this stopped and the number of complaints has been very small since then. He was particularly interested, therefore, in the provision of the memorandum which provided that the borrower could select an adjuster other than the one for the finance insurance company.

Mr. Landon said that instead of invoking the arbitration clause, which assesses half the cost of arbitration against the claimant, the suggestion goes the whole way and imposes the cost on the insurer entirely.

Representatives of insurers who attended the hearing included S. Arch Richards, Olympic, Los Angeles; Fleming Law and O. R. Moore, American Security, Atlanta; C. F. Stears and E. K. Scribner, Stuyvesant, New York; W. R. Snyder, Central National of Omaha; Kirk A. Landon, Retrospective Insurance Underwriters, Miami; Mark M. Hart and Lother Sudekum, American Plan Corp., New York; H. H. Erdmann and J. C. Blackall, Resolute Fire; Richard Cass, Mid-States, Chicago; Frank J. Czar, Mid-States, and Thomas F. Shortall, Emmco.

George Hafer, counsel, Pennsylvania Assn. of Insurance Agents, was an observer. Alexander Query of Prudential, which writes a substantial amount of credit life insurance, and George Davis, actuary, and H. R. Glenn, associate general counsel Life Insurance Assn. of America, were observers.

New officers of Nashville Assn. of Insurance Women are: Mildred Hill, president; Annie Mae Haley, vice-president; Thelma Ellis, corresponding secretary; Lucille Nichols, treasurer. Mrs. Analea Miller is retiring president.

Mook Heads Atlantic Mutual Production Unit

Robert K. Mook, Philadelphia manager of Atlantic Mutual, will become agency secretary in charge of production activities with headquarters at the home office.

Mr. Mook joined Atlantic Mutual in 1920, after attending Rutgers. He began his field work in the solicitor's department at New York in 1930 after serving in the loss department. In 1932 he became special agent in northern New Jersey and opened the Newark office in 1937. He was appointed manager at Philadelphia in 1937.

Diemand Hails N. Y. and Pa. Multiple Line Action

Approval by Gov. Dewey of New York and Gov. Duff of Pennsylvania of multiple line legislation is hailed by John A. Diemand, president of North America, as an "outstanding opportunity for better service by the companies in the public interest."

Mr. Diemand for nearly eight years, has been in the forefront among those who have been advocating the adoption of multiple line legislation throughout the country. He was chairman of a

committee appointed in 1943 by National Assn. of Insurance Commissioners to consider and report its finding on multiple line underwriting to the 1944 annual meeting.

Mr. Diemand issued a statement saying that in enacting this legislation Pennsylvania "takes its rightful place among many states which have enacted this type legislation and now there is nothing to prevent our going forward in better serving in the public interest."

N. Y. Outing Date Changed

The date for the annual outing and meeting of New York City Blue Goose has been changed to June 24 at Rock Spring Country Club, West Orange, N. J.

Sneden to Home Indem.

Home Indemnity has named George K. Sneden superintendent of the fidelity and surety department of the New York office. He had previously served with Royal Indemnity and for the past 10 years was with National Surety.

Miss Frances Gray, Maryland Casualty, Los Angeles, has been elected regional director for region 8 of National Assn. of Insurance Women.

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EDITORIAL COMMENT

Five Years for Seasoning

The unusual conditions in the fire business in the last few years serve to emphasize one unchanging fact—it takes a long time for a new company-agency relationship to season into a mutually successful and enduring bond.

A fire company official reports that his organization devoted a lot of effort to putting on additional agencies last year and is continuing to do so in 1949. He calls these additions, "new sources of income in three to five years." The theme of field operations is to get as many good agents as possible. These agents are qualified as to the type of location as well as the character of the agency's management and operation. The company also is seeking spread; it wants new agencies across the country and not in just one or a few sections.

It still is a good time to get new agents, though insurance demand is not as intense as it was last year or 1946, the big premium year. Agents welcome new outlets for the business they place; many of them have lost insurers that have restricted their underwriting activities.

However, except for unusual circumstances—for example, if one of the agent's important companies has withdrawn suddenly for some reason and the new company can step into its shoes—it takes a long time for a company to build its participation in the

business of an agency. Under ordinary circumstances, it may require as long as five years before a fire insurer becomes one of the large participants in the agency's production. It requires at least two or three years to become firmly established in an agency. The company must prove itself. Its field men must build a strong association on service, and the process has to be a gradual one. The agent gives the company more and more business as time goes on, and thus the foundation is built.

For this reason, the addition of a great many agencies puts little or no strain on the company's surplus. The amount of new business secured is not large from each agency, and not burdensome in the aggregate from all of the new agencies. In any event, it is a good investment, for in two, three or five years from now it will need these additional sources of premiums very much. These accounts will be building up as the economy tapers off and thus will offset what would otherwise be the inevitable decline in total premium volume. The spread of these sources, numerically and geographically, should be helpful. This will give it a chance to participate in business from areas or businesses that may be getting along better than others.

The cycle in the fire business is a long one, calling for foresight and a positive attitude toward the business.

A Foreign Island

As publicity, public relations, advertising and related activities become of more consequence in insurance offices, a word to management is in order on how best to integrate these departments into the organization. In most insurance offices these departments are conducted by a man with one or more women assistants. Their desks, their operation, their tempo and everything about what they do differs from the underwriting, production, statistical, supply and other departments. In a sense they constitute a foreign island. Other desks may be clear and there is only one thing to take up at a time. There is an ordered routine, that may become more insistent or less insistent, but the management knows how to evaluate what is being done, to appraise the accomplishments and judge the deficiencies correctly.

The publicity department, on the other hand, is a scene of disarray. Papers are piled on papers. There seems

to be no order or sequence. The outsider has no idea of the pressures that exist there. Which one has to be taken up and acted on now and which one can perhaps wait a week. There are a variety of deadlines. A visitor is greeted with an anxious look. He may be an old pal, but if only he would go away. There are tensions of a special nature.

If this man were occupying an office in an advertising agency or in a publication, he would have superiors or perhaps he would be the superior, and if he were one of the hired hands, his work would be correctly evaluated. The tensions that exist for him would be realized. His particular timing would be appreciated. He would not be shouldered with some assignment and a killing deadline when he was in the midst of some painstaking work that had to have preference and required especial concentration and had to be got out tomorrow.

This is true not only of publications,

advertising, and public relations men in insurance offices but in business in general. Industrial, utility and other types of management that have come up through their own ranks know intuitively how to judge their employees, what they can do and what they can't do and what can be expected of them, because these managers have come up through these operations themselves or have been closely associated with them. They know when to apply the pressure and when to lay off, when just a little more pressure will drive a man or a woman to the ragged edge. But this

sense of timing they do not have when it comes to their publications, publicity and advertising departments.

The moral simply is for management to realize that it does not have the perspective and the innate touch in dealing with its isolated and to some extent foreign publicity departments that it does in handling operations that management knows against a background of having been a craftsman himself. The last thing any effective and imaginative publicity and advertising man wants is coddling but he does crave to have a management touch that is en rapport.

Eradicating the Handkerchief

Senator Humphrey of Minnesota, one of the authors of the new Truman health insurance bill, during a press conference was asked about the cost of the program. "I am not going to be badgered into saying this is an expensive program," he was quoted as replying. "It is the greatest economy program this nation has ever known. Why, colds alone cost this country \$2 billion a year."

We have heard over and over again for years that the greatest man in his-

tory would be he who is able to conquer the common cold. Senator Humphrey appears to be the man of the ages. The Thomas-Murray-Wagner-Pepper-Chavez Taylor - McGrath - Humphrey - Dingell-Biemiller bill is the answer. The ultimate in magic has been attained by social legislation. We must not let ourselves be betrayed at this magnificent hour by the handkerchief trust or those malevolent enemies of the people—the makers of disposable tissue.

PERSONAL SIDE OF THE BUSINESS

Paul D. Seghers, New York City C.P.A., who for a number of years has been associated with Insurance Accountants Assn. and who made several talks before the group, is now with the tax department of the New York law firm of Garey & Garey at 63 Wall Street.

Lloyd L. Gaines, Commercial Union state agent for northern Kansas at Topeka, has returned to the field following several weeks recuperating from an operation at Kansas City.

Frank T. Priest of Dulane, Johnston & Priest, Wichita, is celebrating the arrival of his first grandchild, a baby girl, in the home of his daughter, Jane Priest Henry, and Dr. Henry at Kansas City.

Robert D. Eckhouse, who has become director of public relations, advertising and sales promotion of Babaco Alarm Systems Co. of New York, has been editor of the "American Agency Bulletin" since 1947. Prior to that he was chief of publicity and assistant director of information and publications of Assn. of Casualty & Surety Companies. His experience also includes work with public relations counselors and as a newspaper reporter. During the war he rose from the rank of private to major. He is a graduate of Rutgers.

Charles E. Dox, assistant western manager of London & Lancashire, is expected back next week from a vacation in Jacksonville, Fla. He went on to Jacksonville from the annual meeting of Western Underwriters Assn. at White Sulphur Springs, to visit his brother at Jacksonville. His family preceded him there.

Abraham Kaplan, who has represented New York Fire Insurance Rating Organization at many multiple location risk hearings, is campaign manager for

Municipal Court Justice Benjamin Shallock, Democrat, who is running for Congress in New York City's 20th district. This is the seat vacated by the death of Representative Sol Bloom. Other candidates are Franklin D. Roosevelt, Jr., Liberal, and William H. McIntyre, a claim supervisor for Metropolitan Life. The election will be on May 20.

State Sen. **Leo Roy**, Hancock agent and chairman of the senate insurance committee in the Michigan legislature, is again incapacitated as a belated result of injuries in an automobile accident several weeks ago. He is reportedly confined to his bed for at least a week as a result of the development of a blood clot, attributed to his injury. He had returned to his senate duties shortly after the accident, in which Mrs. Roy was seriously hurt.

Harry A. Trotter, secretary of Firemen's, has been elected president of Lutheran Memorial Hospital of Newark. The hospital plans a new structure, work on which will start very shortly.

Donald R. McLennan, Jr., vice president of Marsh & McLennan, was one of the Montgomery Ward & Co. directors that was reelected at the dramatic stockholders meeting at which Sewell Avery won his victory over critics of his administrative policy.

DEATHS

James F. Martin, 54, partner with his brother, David, in the Martin Brothers agency, Flint, Mich., died at Youngstown, O., while returning to Flint from

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Florida. He was a state banking ex-
aminer for a number of years.
Harry H. Remick, 56, Kansas state
agent of the Nebraska Hardware Mu-
tual at Wichita for several years, died
at a Wichita hospital following a short
illness.
Frederick A. Farr, 63, former agent at
Port Huron, Mich., died at Albuquerque,
N. M. He left Port Huron for the west
about eight years ago.

Whitney, Miller Form Own Offices

The long established independent ad-
justing firm of Whitney & Miller at
Chicago is now be-
ing dissolved and
the principals, Ross
Whitney and
Chauncey S. Miller,
are setting up
separate adjusting
offices. Mr. Whit-
ney at 968 Insur-
ance Exchange
building and Mr.
Miller at A-1930
Insurance Ex-
change.
Mr. Whitney is
president of Na-
tional Assn. of In-
dependent Insurance Adjusters.

Mr. Whitney started in the business
with the Moore & Jones agency at Chi-
cago in 1900 in a clerical capacity. In
1910 he went with August Torpe, local
agent, and his adjusting career started
in 1918 when he went with Carl D.
Greene. The firm later became
Greene, Whitney & Miller and later Mr.



Chauncey S. Miller



ROSS WHITNEY

Whitney and Mr. Miller bought Mr.
Greene's interest and the name was
changed to Whitney & Miller. Carl
Greene established the office in 1899.

Associated with Mr. Whitney will be
three adjusters, Emil Wille, S. P. Ruel
and Herbert McAllister, and the office
force that has been working especially
with Mr. Whitney.

Mr. Miller started in the business with
Carl Greene in 1912. His father, C. S. S.
Miller, who at that time was with Con-

tinental Casualty, later became manager
of National Association of Insurance
Agents and then publicity director of
North British & Mercantile.

Prior to the first war Chauncey Mil-
ler went with U. S. Casualty in the
burglary adjusting department at New
York. He served in the first war as a
lieutenant in the army air force and was
a fighter pilot. He has retained his in-
terest in aviation throughout the years
and has been active in the civil air pa-
trol, aviation post of American Legion,
Quiet Birdmen, etc. Following the first
war he returned to C. D. Greene.

Associated with Mr. Miller will be
Frank Berube, adjuster, and the clerical
force that has been working particularly
with him.

Eastern Mutual Agents Program Is Completed

The program has been completed for
the annual meeting of the Tri-State
(Pennsylvania, Maryland, Delaware)
Mutual Agents Assn. May 2-3 at the
Southern Hotel, Baltimore.

Speakers the first day will be Phillip
L. Baldwin, executive secretary, and
Hugh H. Murray, Jr., president of the
National Association of Mutual Agents;
John E. Fritz, A. & H. manager of
Lumbermen's Mutual Casualty, who will
discuss the group A. & H. outlook from
the state and federal angles, and Henry
K. Duke, Cumberland, Md. agent, who
will talk on "The Hazard Survey."

The banquet will be that evening and
a considerable amount of talent has
been lined up for the event.

Robert O. Bonnell, vice-president of
Fidelity Trust Co. of Baltimore will
speak the second morning on "What's
Wrong with the Bank Agent Plan."
Luncheon speaker will be Commissioner
Hanley of Maryland, and Ralph H.
Wherry, professor of economics at Penn-
sylvania State College, will conclude
the meeting with a talk on the trend
in educational requirements for agents.

T. L. Osborn, Jr., Is Now Vice-president

T. L. Osborn, Jr., formerly assistant
secretary of National Retailers Mutual,
has now been elected vice-president. He
is a graduate of Cornell and has been
with the Kemper organization 15 years.
Since 1940 he has been inland marine
manager of National Retailers. He
comes from an insurance line, as his
father is of the Osborn & Lange agency,
Chicago.

R. G. Rowe, vice-president of Lum-
bermen's Mutual Casualty and American
Motorists, was elected vice-president of
National Retailers for which he has su-
pervision of automobile loss adjust-
ments.

P. A. Weinman, assistant secretary of
L.M.C. and American Motorists, was
elected secretary of National Retailers in
charge of automobile underwriting.

George A. Faulds, special agent in
Wisconsin, was elected assistant secre-
tary in the home office underwriting
department.

W. H. Heineke, L. W. Van Aken and
M. F. Gruhn have been designated as
resident vice-presidents at New York,
Los Angeles and San Francisco, respec-
tively and E. H. Harvey and W. T.
Tower as resident secretaries at Phila-
delphia and Boston respectively.

G. D. McQuain in Ohio for Fireman's Fund

Fireman's Fund has appointed Geo. D.
McQuain as special agent in Ohio, with
headquarters in Union Commerce build-
ing, Cleveland.

Mr. McQuain attended the University
of Akron and for the past three years
was employed at the Akron office of
Ohio Inspection Bureau.

Marshall R. Brinker has joined Fire-
man's Fund as farm special agent for In-

diana and a portion of Ohio. His head-
quarters are in Indianapolis in associa-
tion with State Agent Bodison and staff.

Mr. Brinker served five years as an
army captain during the war and then
entered the local agency business. Re-
cently he has been a farm special agent
in Indiana for Home.

Sales Clinic Enrolls 200

BOSTON—More than 200 Massa-
chuetts agents and brokers are enrolled
in a "sales clinic" of Insurance Brokers
Assn. of Massachusetts, holding weekly
meetings here.

**AMERICAN
INTERNATIONAL INSURANCE
WORLDWIDE**

**KEEP ABREAST
of COMPETITION!**

**YOU CAN INCREASE YOUR REVENUE
by insuring FOREIGN RISKS**

**YOU ARE NOT FULLY IN THE KNOW UNTIL
acquainted with the WORLDWIDE INSUR-
ANCE FACILITIES obtainable through A.I.U.**

**FULL COVERAGE
ALL FOREIGN RISKS**



- FIRE
- MARINE
- AUTOMOBILE
- CASUALTY
- LIFE

**Tell Us Your Requirements
We Carry On From There**

**30th Anniversary as
SPECIALISTS in the FOREIGN FIELD**

**AMERICAN INTERNATIONAL
UNDERWRITERS**

111 John Street New York 7, N. Y.	206 Sansome Street San Francisco 4, Cal.
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**Offices and Representatives Abroad
To Service Your Clients**

Work Provided for the Disk Jockey



Kansas City Fire & Marine has pro-
duced an annual report portfolio that
injects perhaps the most novel and
glamorous note that has ever appeared
in any such publication. It consists of
a record album holder and sure enough
inside is a record with a message on
both sides entitled "Your Company's
Record for 1948." This contains a tran-
scription of a portion of a directors
meeting in which President Morton
Jones recites the main figures and

answers questions in regard to the year's
results.

Additionally there is an annual state-
ment pamphlet telling about the re-
sults of the year. There appear the
pictures of the members of the board of
directors and a large picture of Presi-
dent Jones.

Above is shown the interior layout
of the album.

The production was supervised by
Hal Kennedy, advertising director.

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

There's a **BIG STORY** IN THESE LITTLE STICKERS!

This Added Service Is an All-Round Good-Will Builder and Business Getter

Plate glass policyholders too frequently forget the 'fine points' and additional services which their contracts provide. It is, therefore, up to you to point out the extra advantages. One of these special service features is the use of American Glass Company stickers . . . and there's a BIG STORY behind them.

Affixed to the face of each policy these stickers remind assured that loose glass can be a dangerous omen—cause serious liability suits and property damage if breakage results.

Tightening up loose glass is a service we provide WITHOUT CHARGE to both policyholders and insurance companies.

So let your assured know that you are on the job and that service only begins with the delivery of their policy. These attention getting stickers are yours for the asking—just another service of The American Glass Company. Fill out the attached coupon and mail today.



Members of the Chicago Association of Commerce

BENJAMIN BERIS, President

American Glass Company
1030-42 NORTH BRANCH STREET • CHICAGO



What These Stickers Can Mean to You and Your Policyholders

1. They are constant reminders of continuous service.
2. They are good-will builders to client, agent and company.
3. They make it easier to renew each policy.
4. They prevent unnecessary loss and inconvenience. . . and are **FREE** for the asking.

Good Working Midyear Session for N. J. Agents

Committee Chairmen Make A-1 Reports; Legislation Reviewed

By KENNETH O. FORCE

NEWARK—There were some good speakers on the program of the mid-year meeting of New Jersey Assn. of Insurance Agents here, but the liveliest material was presented by committee chairmen—fire and accident prevention, legislation, and temporary disability benefits,—the state national director and by the actuary, J. J. Smick, who summarized the results of an agency cost study among association members. The cost study is reported elsewhere in this issue. More than 225 attended the luncheon.

Will Investigate F. R. Law

One of the most important acts of the New Jersey legislature was authorizing a committee to study the automobile financial responsibility law and prepare a report for submission to the 1950 legislature, John C. Conklin, Hackensack, said. The agents' association has asked for a conference with Senator Thomas, who introduced the resolution, and Mr.



J. C. Conklin



J. C. Madara

Conklin recommended the association appoint a special committee of agents to confer with the Thomas committee.

The legislature also voted to put a veterans' bonus on referendum next November. The proposal is to finance the bonus with a gross receipts tax of one-tenth of 1%. Insurance companies are excluded because they already pay a similar tax. The agents have no objection to the tax, if it is applied only to the net gross commissions. They would object if it is applied to premium income. Mr. Conklin said agents have received assurance from the governor and the attorney general that the tax would be limited to gross receipts. He thinks this is satisfactory since it has been legally determined in New Jersey that the agent is only a trustee of net premiums due the insurance company.

A bill desired by agents was passed and is now law, extending the effectiveness of binders from 15 to 60 days. A bill to increase from \$9 to \$10 the minimum and from \$22 to \$30 the maximum per week of temporary disability benefits and the time from 26 to 30 weeks lost out. However, Mr. Conklin thinks similar legislation may be introduced next session. The 42 insurance bills introduced included the customary monopolistic workmen's compensation fund bill, compulsory auto insurance bill, etc. Although no "serious" insurance bill

1.7% FOR PROFIT

N. J. Agency Study Provides Interesting Cost Figures

NEWARK—The survey of agency income and expenses conducted by J. J. Smick of Woodward & Fondiller, consulting actuaries, retained by New Jersey Assn. of Insurance Agents, has been completed.

It shows that the average commission ratio; that is, income to the agent, is 21.4% of written premiums. This is divided 6.6% for salaries of management, 4.2% for salaries of office employees, 3.9% for all other office expense, 3.3% as commissions and salaries to solicitors, subagents and brokers, and 1.7% for all other sales, advertising, etc. Total expense runs 19.7%, leaving 1.7% net for profit, contingencies and capital expense.

One of Mr. Smick's most interesting conclusions was that on the basis of these figures, a shrinkage in premium income of about 10% or a reduction in the average commission of about 2% would wipe out the margin for profit, contingencies and return on capital invested.

10% Shrinkage Margin

All types of agents submitted information, Mr. Smick reported. Small, large and medium sized agencies are included in the study, as well as individual, partnership and corporation returns.

The figures include returns from more than 100 agents. Few differences in the cost factors were noted as between individuals, partnerships and corporations. For example, Mr. Smick said, management salaries for agencies operating as individuals were 6%, for partners 6.6%, and for corporations 6.9%. In other words, the figures are "within speaking distance" of each other.

Small Business in Character

He emphasized that the insurance agency is a small business enterprise, and salaries and management expense is expected to be a large item in the cost schedule. In general the partnerships had a lower expense, especially in connection with office salaries. This is because partners often share the detail work in the office and thus hold down overhead.

The top scale of commissions is not paid by all companies; below "average"

passed, Mr. Conklin thinks an era of social legislation lies ahead, and he urged agents to get acquainted with legislators. Agents should meet the problems involved in social legislation with a constructive, positive approach. They cannot simply oppose social legislation as such, he declared.

The state motor vehicle department is making serious complaints about the way the assigned risk plan is being handled in New Jersey, William F. Turner, Jersey City, said in reporting for the fire and accident prevention committee. These complaints are not only against the companies but also against agents who are uninterested in explaining how the driver can get insurance and arranging for him to do so. State senators and representatives are going to the m. v. department with complaints they or their friends can't get coverage. Investigation of the financial responsibility act by a legislative committee, he suggested, likely will include the assigned risk plan.

The time may come when agents will be compelled to do something about fire and accident prevention, Mr. Turner asserted. Casualty and fire companies in 1948 took \$236,869,938 in premiums from New Jersey, which means agents of the

is paid on workmen's compensation, and commissions on graded business further reduce the average, Mr. Smick emphasized. Thus the average return is 21.4%, rather than a higher figure, such as 25%, that is often mentioned as agency remuneration.

If the average expense loading for a particular line was 45%—and it is more on some and less on others—Mr. Smick explained that agents receive in commission less than one-half of the total expense figure. Yet on workmen's compensation 2.5% is acknowledged in the rate for profit to companies and 5% is contemplated in the fire rate for company profit. In comparison, he said, the 1.7% profit for the agent does not seem excessive.

Backs Agent Arguments

Because of a hurry up need for the figures as the study was launched, Mr. Smick said that some data that would have given a more complete picture were not included, for example by line of insurance, number and size of policies. The figures are, however, representative, and significant. The most important point is that the figures give the agents some concrete backing for protecting their share in the premium dollar.

The companies have figures on loadings, expense, losses, gross expense loading, etc. and they can prove them, he said. The companies aren't particularly interested in defending the portion of the premium dollar that the agent gets, and the department examines that figure carefully in these days of rate regulation. It is a big item of the dollar, particularly if it includes, as it does on company books, items the companies themselves are responsible for, such as field supervision.

If the agents have the figures and are on hand to support them, their share in the premium dollar is not likely to be attacked. Companies talk of a 25% loading for commissions, he pointed out, while the figures show they don't get that. A profit and return on capital of 1.7% is certainly not excessive, he said. If premiums drop substantially, expenses will not go down in proportion, and the agent will be in difficulty.

state put more than \$46 million in their pockets. This is a lot of money, and Mr. Turner thinks agents are going to have to provide the public with more service in return. It is a humanitarian effort, and the best way to get it done would be for each county association to launch its own program.

TDB Committee Report

Unless agents and companies succeed in doing a better job than the state fund, the latter will take over round-the-clock protection of the worker, Charles J. Simons, Newark, chairman of the TDB committee of the association, asserted. There are now 14,706 private plans, almost 43% of the number in the state, representing approximately 53% of covered employees. In California private plans started with 20% and they have now climbed to 38% of the total. He thinks agents have a big responsibility in proving a superiority of private plans through sales approach, good will building, education and personal services.

The agent must also sell the idea of private insurance, not just a private plan itself. He suggested simpler forms, teaching employees safety on the job. The committee is a special one that is

(CONTINUED ON PAGE 22)

Standard Oil SS Man Lauds N. Y. TDB Measure

Chislett Says Law Does Least Violence to Free Enterprise

COLUMBUS—Altogether, the New York temporary disability benefits law represents an outstanding achievement in state legislation in this field, according to Richard E. Chislett of the insurance and social security department of Standard Oil of New Jersey, who addressed the insurance buyers' conference of Insurance Board of Columbus, Wednesday. He observed that the act was drafted by representatives of business, labor, state government and insurance, working in concert. It represents the most advanced thinking in respect to this type of legislation.

While it does introduce governmental compulsion into a field in which voluntary effort already is doing a good job, it manages to apply that compulsion in a manner calculated to impinge least upon free private enterprise. Furthermore, it gives the fullest possible credit under the law to the substantial private achievements in the TDB field. States in the future which may consider legislation in this field should give very careful study to the numerous advantages contained in the New York law, he counseled.

Gives Set of Principles

The speaker emphasized that he was not discussing the desirability nor necessity for state TDB legislation, but rather he was emphasizing the necessity of developing a set of sound principles which should be incorporated in any state legislation to be considered in the future.

It is not unreasonable to presume that more states will eventually adopt laws compelling some sort of temporary disability coverage for workers, in view of the fact that four important industrial states now have such laws, the state of Washington has passed a law subject to ratification by referendum and 14 other legislatures received measures this year treating with the subject. Ohio and Maryland recently appointed commissions to study the question and make positive recommendations.

Type of Benefit Not New

He emphasized that the type of benefit under discussion is not new since voluntary programs have existed for a great many years. In some industrial states surveys indicate that some voluntary protection is being afforded anywhere from 60 to more than 76% of employees covered under unemployment insurance law.

However, it is only in the past few years that state and federal governments have taken action to compel the payment of such benefits to great numbers of employees. In four states and in the railroad industry nationally immediate broad coverage through governmental mandate has taken the place of the more gradual yet surprisingly rapid expansion of coverage through voluntary effort. The new and important factor in group A. & H. is that of compulsion. The manner in which governmental compulsion is exercised

(CONTINUED ON PAGE 25)

Give Truman's Latest Health Plan Little Chance

Even Administration Leaders Concede Present Congress Won't Act

WASHINGTON — Even administration leaders concede the Truman health insurance program has slight chance of enactment into law at this session of Congress. A majority of the Senate committee is sponsoring substitute plans. One is a revision of the Taft plan of federal aid to the states for medical care of low income groups. Another, offered by Senator Hill, Alabama, and others, provides for federal payments to purchase medical and hospital service policies for low income persons in voluntary health plans.

President Truman gave his message to Congress late last week on his national health program, including compulsory health insurance.

The administration bill was later introduced jointly by eight Senators and by Representatives Dingell, Michigan, and Biemiller, Wisconsin. It provides, among other things, for "experimental development of farmers' health co-operatives," a statement released by the authors says. It would set up a national fund known as the Personal Health Services Account, similar to the OASI trust fund, to be administered by a national health insurance board.

Advisory Medical Council

That board would operate in consultation with a national advisory medical policy council, and under supervision of the federal security agency.

A 7-page release from introducers of the bill summarizes provisions of its seven titles.

The titles are headed: Aid to medical education; medical research; hospital survey and construction; special aid for rural and other shortage areas; grants-in-aid for state and local health work; grants-in-aid for maternal and child health and crippled children's services; and prepaid personal health insurance.

Mead Bond Head of Western C. & S.

Kenneth H. Mead has resigned as assistant secretary of Continental Casualty and as manager of the eastern fidelity and surety department at New York, to become assistant secretary and manager of the bonding department of Western Casualty & Surety at Kansas City. He will succeed A. B. Eaton, who died in February.

Kenneth H. Mead

marking his 25th anniversary in the fidelity-surety business. Starting at Pittsburgh with American Surety in 1924 he rose to assistant manager of the bonding department, and in 1937 moved to Chicago to become superintendent of agents of the bonding department of Continental Casualty. For the last nine years Mr. Mead has been with the eastern department of Continental Casualty with jurisdiction over the Atlantic seaboard states.

Zurich's Films Again Win Laurels

For the fifth consecutive year Safety Zone films produced by Zurich-American companies have won first place awards in competition conducted by national committee on films for safety. The Zurich award-winners for 1948 are "Award to the Wise" and "Helping Hands (Part 3)." "Award to the Wise," judged the best sound slidefilm in the field of traffic and transportation, deals with safe driving practices and habits, particularly from the standpoint of the commercial vehicle driver. Emphasis is on defensive driving and correct attitude. New York University Center for Safety Education collaborated in the preparation of this film.

"Helping Hands (Part 3)"—selected as the best sound slide-film in the industrial safety field—covers the safe use of portable power tools. Emphasis is on the selection of the correct tool for the job, proper use and maintenance, and safe storage.

Both "Award to the Wise" and "Helping Hands" were produced as a part of the Zurich Safety Zone program, a correlated monthly program of safety and health education. The program is used not only by insured but also for promotional purposes, by agents of the Zurich-American companies.

Surety Assn. Conducts White & Camby Forum

NEW YORK—That there is nothing mysterious about fidelity and surety bonds was the theme of the forum on these lines held by the White & Camby agency here. Speakers were Martin W. Lewis, manager; and Peter A. Zimmerman, Philip T. Morehouse, and Elmer C. Anderson, assistant secretaries of the Surety Assn. of America.

Mr. Lewis pointed out that the mystery which often surrounds bonds can be dispelled by a simple explanation of each—how they differed from each other and how they differ from insurance.

Material from "Surety Rate Making" by Dr. Jules Backman, New York University, were projected on slides by Mr. Anderson.

NLRB Opens Probe

ST. LOUIS—National labor relations board here is reported to have opened an investigation into charges of unfair labor practices against Transit Casualty, that were leveled by four adjusters who alleged they were discharged April 20 because of union activity. Harry L. Martin, vice-president in charge of claims, denied that the men had been discharged for union activity or membership. Those filing the charges are Frank Morton, international representative of A. F. L. Office Employees Union, 13, in behalf of the four men, Ralph W. Hughes, D. C. Miller, V. O. McWhorter and Harvey W. Rahmoeller.

A. & H. Probe Bill in Ill.

Representative Alan Best, Republican, Chicago, introduced a bill in the Illinois legislature to appropriate \$15,000 to pay expenses of a 15-man commission of 10 legislators and five citizens to investigate A. & H. insurance in Illinois. Premium rates, types of policies issued, payment of claims, and other matters would come under the probe.

Joint Tourney at Seattle

The joint golf tourney and banquet of Casualty Assn. of Washington and Surety Underwriters Assn. of Seattle will be held at Inglewood Country Club May 30.

A banquet will follow, with William Shiels, Travelers, president of the Casualty association, serving as toastmaster. John Hodson, American Surety, president of the Surety association, is general chairman.

McClaskey Retires from N. Y. Post

NEW YORK—Robert W. McClaskey has retired as general manager of casualty, fidelity and surety lines, at the 55 John street branch of Travelers here.

Mr. McClaskey became associated with Travelers in 1919. He has served in Indianapolis, as manager at Louisville, as assistant manager at Philadelphia and as manager of indemnity lines at 55 John street for 10 years prior to his appointment as general manager in 1940.

He went to Travelers after successful business and selling experience in several parts of the country. He was a member of the Indiana state bar and served in the legislature of that state.

Seek Assigned Risk Plan for Ill. Dram Shop Cover

Senators Satiel and Ryan have introduced a measure requiring insurance companies that are licensed to write liability insurance, to accept liability under Illinois' peculiar dram shop law on an assigned risk basis, commencing Jan. 1, 1950. Presently Lloyds is by far the largest factor in this field. St. Paul-Mercury Indemnity which provided a substantial market, has withdrawn and there are only three or four other companies that are writing the line.

The bill has reached passage stage in the senate to modify the dram shop law so as to limit liability to the saloon-keeper, only if he knowingly, in whole or in part, contributes to the drunkenness of the person who subsequently causes the injury.

Senator Wimbish, the Negro leader, introduced a bill directed at both companies and agents which set up penalties for discrimination on account of race, creed, color, national origin or ancestry.

Senator Larson has introduced the bill desired by Insurance Brokers Assn. of Illinois, commonly known as the anti-coercion bill. This provides that no mortgagee or lending agency shall require that a borrower shall be directed to negotiate for insurance with a particular agent or broker.

Okla. Rate Regulatory Bills Make Progress

The fire and casualty rate regulatory bills have been reported favorably in the Oklahoma legislature. The fire bill is modeled very closely on the all-industry pattern; the casualty bill is akin to the District of Columbia program. There is no waiting period before casualty rates shall be effective except that prior approval is required on workmen's compensation rates. In Oklahoma workmen's compensation and one or two other casualty lines have been regulated in the past.

Insurance Bills in Tenn.

Advisory organizations to casualty companies have been brought by the legislature under the Tennessee rate regulatory act.

An amendment to the licensing law provides that after January, 1950, an agent's license will be handled on a permanent basis. Licenses will be obtained in the usual manner without change in qualification requirements and can be revoked for cause.

Kelly on Reinsurance Claims

NEW YORK—Surety Claim Men's Forum here heard Francis H. Kelly, secretary of Excess Ins. Co., give "The Observations of a Reinsurer." Mr. Kelly reviewed the history of reinsurance and then outlined the procedures essential to the handling of claim matters in which a reinsurer is interested. At the May 12 meeting, George Leacher, American Surety, will be in charge of the program.

FTC Calls Second Hearing on Mail Order Industry

Issuing revised trade practice rules proposed for the mail order insurance industry, the Federal Trade Commission has called its second public hearing on the trade practice conference for May 25, in Washington. Commissioner Davis will preside and Henry Miller, trade practice conference division, and other FTC officials will participate.

The notice of hearing defines the mail order industry as "all persons, firms, corporations and organizations engaged in the sale and offering for sale of any kind of insurance outside the state of their domicile, through the mail or other interstate communications or facilities and without the employment in connection therewith of any agent licensed in the state where the sale of insurance is promoted or in which delivery of the policy to the insured is to be made."

Industry members and others interested are invited to present to FTC their views concerning the rules, including pertinent information, suggestions or objections. Written statements, briefs, etc., may be filed up to May 25.

Purport of the Rules

The commission said sales of insurance through licensed agents and sales within the home state of the insurer are not within the purview of the rules.

It said "some of the more important rules" released with the notice of hearing relate to disclosure of unusual limitations, restrictions, and conditions contained in policies, and disclosure of possible assessment against policyholders. Also included are "many important provisions inhibiting specific kinds of misrepresentative and deceptive practices as to the nature and extent of coverage of policies and the protection actually afforded, etc."

The rules are concerned with unfair or deceptive trade practices coming within FTC jurisdiction under the FTC act, subject to provisions of public law 15. The rules apply to any kind of insurance sold under circumstances above indicated.

Revise Association Code

Commission people say they have tried to clarify and simplify the rules code submitted by the Insurance Advertisers Assn. that were subject of hearing in Chicago some time ago. Incidentally, those rules are tightened considerably.

Important changes in that code include revision of the definition of "advertisement" and new rules concerning contingent liability of insured, failure to pay just claims, and deceptive "salesman wanted" ads.

The revised rules cover seven closely printed pages including 24 rules. Besides those above mentioned, they relate to general deception; misleading names or titles of policies; deceptive concealment of exceptions, limitations and reductions in policies; non-medical policies; maximum and minimum benefits for the same loss; misuse of the word "all" as applied to benefits; benefits losses, and causes of loss not applicable to all ages; sickness covered by health policies; misuse of synonymous names for the same sickness or physical condition; medical attention or confinement under health or accident policies; time lapse or lag in policy; misrepresenting amount of benefits, paid under policies issued; deceptive use or imitation of name or trademarks of competitors; misrepresenting savings effected by selling methods; claim of federal or state agency approval; advertising misrepresentation improper, even though policy be available for inspection by prospect; defamation of competitors; deceptive testimonials; financial stability of insurer; misrepresentation of policy or company as covering special provisions or as being confined to special groups; aiding or abetting use of unfair trade practices.

Need to Cut Handling Cost of Comprehensive: Spottke

To find ways and means of simplifying and making less expensive the premium operations under comprehensive policies is a duty the business owes to itself and buyers, Albert E. Spottke, vice-president of Massachusetts Bonding at New York, said in his talk at the Kansas City Casualty & Surety Sales Congress. Insurance bought on specific hazards usually reflects real need for the protection so that selection is invariably against the company, Mr. Spottke said. The major share of the casualty business has been written on exactly this approach, in spite of strides made in the use of the comprehensive forms. Rates for the individual coverages reflect this adverse selection.

Not on Most Attractive Basis

The business is not putting comprehensive insurance on the most attractive basis for buyers and offering it under the most advantageous conditions as to producer and company when it continues to rate comprehensive forms in the same manner as the older specific hazard forms, he suggested. This is true at least for coverages which have not attracted a spread of exposure in the past.

There is enough ingenuity in the business to develop rates or a foundation for applying rates which will make premium charges under the varying circumstances of hazard for product liability and property damage exposures attractive enough so that coverage for them will become a part of the comprehensive policy. This will add materially to the completeness of that protection.

Is it unfair discrimination to rate comprehensive differently in some respects from the specific hazards forms, he wondered. Discrimination is a subtle issue but one that can be slanted largely to accommodate the desired objective. It can be argued that the business is discriminating unfairly against the comprehensive buyer who is purchasing his insurance in the form of a complete package if he is rated exactly as is the buyer who selects only hazards or perils for which he knows he has the greatest need.

Could Have Another Classification

It becomes a question of how broad an average the business is ready to work with in evaluating the cost of the coverage, Mr. Spottke thinks. Is the business determined to have only one classification, the one established on the basis of the experience insured under a system of selecting specific hazards to be insured, or is it ready to accept the propriety of more than one classification?

He envisions a classification consisting of all buyers of comprehensive insurance on a certain line of activity whose average loss potential for coverage on a comprehensive basis will be considerably different from that of buyers in the same line of activity who select specific hazards for which they feel a real need of insurance.

Another aspect of the rating problem similar in nature to that facing the business on product and property damage liability has to do with coverage for the so-called fringe or exceptional exposures. Where coverage for one or more such exposures is to be afforded by specific selection, since the underwriter is certain coverage will be selected only if there is definite need for it, the business could, Mr. Spottke believes, charge a higher rate. This charge could be made on a different basis from the procedure where all of the residual exposure—everything which may be left after taking care of the major elements of liability exposure such as premises, operations, elevators, independent contractors, etc.—is insured on a catch all

basis under a comprehensive liability policy.

Many of the complications in determining final premium for a comprehensive policy and a considerable part of the expense of this effort can be charged not to the coverage for the major hazards but to discovering and

rating the fringe exposures, he said—those that are unexpected or unusual or may have occurred sporadically during the policy period. It would be interesting to know how much money is expended in efforts to ascertain if these exposures did in fact exist under the policy and how much premium they produced. Mr. Spottke thinks the aggregate expense outweighs the total income on these items and that it would be much more satisfactory to develop ways and means of producing a variation in premium according to the business of a risk that would pay for this

residual exposure without the need of the auditor becoming an amateur detective to ferret out some exposures.

Business Increasingly Complicated

The business is becoming increasingly complicated with rating plans and rating procedures. It should face realistically the job of eliminating at every opportunity practices and habits which may have been acceptable in the past but are no longer paying for themselves because the cost is more than what they return when there are other and more

(CONTINUED ON PAGE 27)



This man can't stop dishonesty
BUT he can stop
dishonesty *Losses!*

HE can do it because he is a trained Insurance Agent who knows how to build a bonding program that protects your company from having to make up heavy losses because of embezzlement or any other form of employee dishonesty. The current high rate of such losses makes it imperative that you bring your

bonding program up-to-date now! There is a USF&G Agent in your community who will be glad to analyze your bonding problems and your bonding needs... who will show you how to obtain maximum protection with a minimum of premium outlay. There is no obligation. Consult him today!

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U.S.F. & G.

United States Fidelity & Guaranty Co., Baltimore 3, Md.
Fidelity & Guaranty Insurance Corp., Baltimore 3, Md.
Fidelity Insurance Co. of Canada, Toronto

ACCIDENT AND HEALTH

Kentucky Names Mail Order Insurers in News Releases

The Kentucky department has started the practice of sending news releases to newspapers throughout the state naming insurers that are soliciting business through the mails in Kentucky without a license. This is coupled with a statement by Commissioner Thurman that buyers of such policies must realize they cannot expect to get any help from the insurance department in settling difficulties or claims that they may have with these companies because the department has no jurisdiction over unlicensed mail-order insurers.

Mr. Thurman's first newspaper release named First National Indemnity of Omaha and his second release mentioned Old American and National Protective of Kansas City, American Family Life of San Antonio, Commercial Travelers Mutual Accident of Utica and Guarantee Reserve Life of Hammond, Ind.

The "News Journal" of Campbellsville ran an editorial commending the department for this "wide awake step". This publication editorializes that there

Union Mutual Revises Its Non-Can A. & H. Policies

Union Mutual Life has revised its non-cancellable A. & H. policies, effective May 1. A basic two year A. & H. policy has been added. It is guaranteed renewable to age 65, pays partial disability for accident, has a non-disabling injury feature, a waiver of premium clause, is incontestable after two years, has a six months recurrent disability clause, a 31-day grace period, and provides for a 10% increase in indemnities if premiums are paid annually and a 5% increase if they are paid semi-annually. Maximum benefits are \$250 monthly.

Among new changes, the company will consider foreign travel permits, waiver of premium clause has been liberalized, long term sickness benefits have been extended to 10 years and, on the 10-year form, the recurrent dis-

ability clause has been changed to six months. Accidental death indemnity will be written in conjunction with the two and 10 year forms. Accidental death benefits have been increased from \$5,000 to \$10,000 in the higher classifications. Extension of accident benefits to five years will be permitted in classification A4 for both the short and intermediate term forms. Retention limits have not been changed.

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More Speakers Listed for Conference Annual Meeting

Several additional speakers have been announced for the annual meeting of H. & A. Underwriters Conference at the Edgewater Beach Hotel, Chicago, May 16-18.

Burton K. Wheeler, former U. S. Senator from Montana, will speak Wednesday morning, May 18. He is now practicing law at Washington, D. C.

John W. Sayler, vice-president in charge of sales of Business Men's Assurance Co., will speak during the agency management session Tuesday morning, May 17.

The problem of combating rising administrative costs in home office operations will be discussed by Frank S. Vanderbrouk, executive vice-president of Monarch Life.

The employer's views on compulsory health insurance will be discussed by W. G. Caples, manager of industrial relations of Inland Steel Co., the opening day. Mr. Caples before the war practiced law in Chicago and later was general attorney of Continental Casualty and a vice-president of National Casualty.

Problems which commercial traveling men's organizations face today will be discussed May 18 by Moses G. Hubbard, counsel of Commercial Travelers Mutual Accident. He has been particularly close to regulatory legislation affecting accident and health insurance.

Entertainment for the meeting includes a reception for early arrivals Sunday, May 15, and the banquet Tuesday evening. The ladies' hospitality committee has arranged a tea and smorgasbord luncheon for ladies in attendance.

Farquhar S. F. President

R. A. Farquhar, Home Indemnity, has been elected president of Accident & Health Managers Assn. of San Francisco, succeeding Clifford Deranleau, Loyal Protective Life. Vice-president is Jay Goldstein and secretary, Thomas S. Dixon, Massachusetts Indemnity.

Speaker at the April meeting was Mrs. Muriel Tsuetkoff, director of San Francisco Better Business Bureau. The annual meeting of the state association of managers' clubs was discussed. It has tentatively been set for Oct. 28 at Los Angeles.

B. H. Reaves to U. S. F. & G.

B. Herbert Reaves has been appointed supervisor in the agency and development department at New York for U. S. F. & G. He will work on A. & H. business under Charles A. Morlock, superintendent. Mr. Reaves has been active in the A. & H. business for 18 years and for a time was with the Loyalty group, Phoenix Indemnity, and Eagle-Globe-Royal.

Safety Talk in Utah

At the April meeting of Utah A. & H. Club at Salt Lake City, J. F. Coombs, president of Universal Safety & Fire Equipment Co., spoke on "Accident Prevention and Costs." He reviewed progress made in accident prevention measures and in equipment used, and the resultant reduction in accident costs.

CHANGES

C. Harry Smith's Titles Extended to Home Indem.

C. Harry Smith has been elected vice-president and secretary of Home Indemnity.

He entered the business in 1917 with Philadelphia Underwriters Assn. and joined Fire Association in 1919. He was affiliated with America Fore before joining Home in 1935, as associate manager of the Philadelphia and suburban departments. In 1938 he became secretary of Franklin Fire and in 1940 he was elected vice-president and secretary of Franklin Fire and last year was made vice-president and secretary of Home in which capacity he now also serves.

Hall V.-P. and Secretary

Charles H. Hall, secretary of American Surety since 1937, has been elected a vice-president as well.

Mr. Hall was born at Mimico, Ont., and was graduated from Victoria College, University of Toronto, in 1926. He is a son of the late W. H. Hall, formerly vice-president of Canadian Surety, an affiliate of American Surety.

Motorists Mutual Promotes

Motorists Mutual of Columbus has promoted Joseph R. Gardner of Cincinnati from treasurer to first vice-

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president to succeed the late A. E. Mitterdorf. Sara Hamilton, assistant treasurer, was named treasurer. Divisional vice-presidents elected were Clyde Benoy, accounting; Byron W. Snyder, sales and Charles W. Margraff, research. J. Arthur Ferris of Youngstown was named to the board to succeed Mr. Mitterdorf.

Opens L. I. Unit

American Mutual Liability has opened its New York suburban district office at 7409 37th avenue, Jackson Heights, L. I. It was formerly housed at 1 Park avenue, New York.

K. J. Sharkey is manager. John A. Corey, former Springfield, Mass., branch sales manager of American Mutual, has been appointed New England division workmen's compensation manager at Boston. Addison P. Dingwall, Memphis branch sales manager, has transferred to the Springfield position.

Opens Boise Office

Hartford Accident has opened a new service office in the First National Bank Building at Boise, Ida., in charge of Richard G. Wright. He has been a field man for the company for many years. He will handle all casualty and surety underwriting and claims matters. In the past the southern Idaho territory has been handled from Salt Lake City.

Mr. Wright's father operated a local agency at Lewiston, Mont. He graduated at University of Michigan and George Washington university law school. He went with Hartford Accident in 1924, traveling Montana until 1946. Part of the time he was engaged also in handling claims. Since 1946 he has been doing production work at San Francisco.

Am. Casualty Names Two

Charles S. Hornor, Jr., has been appointed resident manager at Charleston, W. Va., for American Casualty. For 12 years he was with the Lyle B. Hornor agency at Clarksburg, W. Va.

John J. Kelley has been named special agent for Maine, New Hampshire and Vermont with headquarters at Boston. Most recently he has been with American Fidelity. He was at one time with Employers Liability. He attended Northeastern University.

SURETY

Forgery Prevention Item Distributed to Banks

National Surety is distributing to its banking clients as part of the company's educational loss prevention program a pamphlet entitled "Stop Check Forgers Now." The pamphlet contains recommended procedures to use in cashing checks and drafts. The material is prepared by the National Retail Dry Goods Assn. and was rewritten and modified by the merchants division of the Topeka chamber of commerce.

National Surety takes occasion in the pamphlet to point out that forgery is America's fastest growing crime and now stands among the first three types of crimes which cause property loss.

N. J. Surety Men Meet May 5

Surety Underwriters Assn. of New Jersey will hold a luncheon meeting at Newark May 5 with Walter R. Darby, chairman of the local government board, as speaker.

Kent Bond \$8½ Million

LOS ANGELES — An executor's bond in the sum of \$8,500,000 on the estate of the late Atwater Kent was filed in superior court here by Travelers Indemnity, originator of the bond, with Hartford Accident, Aetna Casualty and U. S. F. & G. as co-sureties. This is the

largest bond of its kind filed in the Los Angeles courts for a number of years.

Farm Bureau Parley

More than 2,000 policyholders and representatives of the three Ohio Farm Bureau companies met at Columbus, Ohio, for the annual convention. The various officers and directors were re-elected.

The Farm Bureau companies have instituted a program of skilled driving training courses among the 2,000 employees at the home office.

In cooperation with Columbus Automobile Club, the personnel department conducts six two-hour periods in theory of skilled driving and 20 hours of driving training, five of which are spent in actual driving practice.

Cost of the course, which would normally be \$30, is only \$6.50 to those who complete the training successfully, with company paying the rest. A certificate is awarded to those persons at the end of the training period.

A. L. Brown, director of employees' activities, is in charge of the program.

H. C. Willard, co-manager at Chi-

cago for London & Lancashire Indemnity, has been enjoying a vacation trip by motor to Florida.

Compulsory Auto Cover Bill Put Off in N. H.

Senate bill 55 in the New Hampshire legislature, which proposed compulsory insurance by requiring the driver to secure evidence of protection before being granted a license to drive, has been referred to the legislative study committee. This means it is not likely to come up at least until two years from now.

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CASUALTY
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REINSURANCE

Move to Make Pa. Auto Law Effective Feb. 1, 1950

HARRISBURG — A legislative attempt to prevent another delay in putting a more stringent automobile responsibility law into effect in Pennsylvania has been approved by the senate and is now pending in the house.

A mild post-judgment law is currently in effect and the department of revenue—with legislative approval—has been postponing for four years the adoption of the new uniform type of law.

The new proposal precludes another postponement by stipulating that the statute go into effect Feb. 1, 1950. There is no regular session of the assembly scheduled to meet before that date to authorize another delay.

Gov. Duff has signed the bill making municipalities liable for the payment of compensation to volunteer firemen who are not on payrolls under which they would receive compensation for injuries sustained in the course of fighting a fire.

A bill to permit the commissioner to refuse to renew the license of agents, brokers and excess brokers for cause which would have disqualified the initial issuance of such licenses has been passed by the senate.

The senate also passed bills to extend

group medical service plans to include dental services.

Legislation to include osteopathic services in medical group insurance has been signed by Gov. Duff.

House-approved legislation increasing compensation payments by 20% has been amended by the senate to base payments on a 5½-day week at prevailing wage rates instead of actual earned income. The revision is expected to throw the proposal into a conference committee.

A companion bill boosting O.D. compensation by 20% has been passed by the senate and sent to the governor.

Gov. Duff has signed a bill authorizing school boards to appropriate monies for accident insurance for participants in school athletics.

William B. Haynes, who retired as resident vice-president at Newark for New Amsterdam Casualty at the beginning of the year, was honored at a dinner held by Casualty Underwriters Assn. of New Jersey. He had been with the company at Newark for 25 years and spent 42 years in the business. He was presented an inscribed copy of the resolution passed in his honor. William Sadler, Century Indemnity, president of the association, presided.

Harrington to Address Casualty & Surety Agents

Commissioner Harrington of Massachusetts will address National Assn. of Casualty & Surety Agents at its regional meeting at Colorado Springs May 9-11. He and Commissioner Kavanaugh of Colorado will be the only speakers from outside the association.

Gregory, Jones Speak

Speakers at the April meeting of A. & H. Assn. of Philadelphia were President E. F. Gregory and Executive Secretary Wesley J. A. Jones of the National association.

New N. C. Insurance Laws

RALEIGH, N. C.—The North Carolina legislature enacted into law the bill making the state a self-insurer on public school buildings, despite vigorous opposition. It allows city and county boards of education to decide if they want to participate in the state insurance plan, and sets up a \$2 million fund to inaugurate the system.

Other laws enacted provide for holding public hearings on insurance rate filings, prohibit insurers from allowing unlicensed persons to act as agents, providing for death or disability of fire departments resulting from heart disease compensable and prohibit "unfair practices" in insurance.

The legislation that was finally passed requires the North Carolina insurance advisory board to establish rules and regulations for hearings on filings where the approval of the commissioner is required. This would obviate the necessity of holding public hearings on minor technical changes, it is believed. The bill as originally introduced, provided for public hearings on every filing or for a public representative to be on every rating bureau committee. North Carolina is a prior approval state insofar as rate regulation is concerned.

There is appropriated for the administrative costs of the state school fund \$50,000 for the first year. The fund is to have available for loss payments at the outset, the post-war reserve fund of 1943 consisting of \$2 million, plus the premium collections. It is provided that the premiums shall be collected until the state fund assets are equivalent to 5% of the total insurance in force. When the assets increase beyond that point, the premiums are to be reduced accordingly.

Fla. Reinsurance Bill

A bill has been introduced in the Florida legislature to prohibit a licensed insurer from accepting reinsurance from an unlicensed insurer at rates less than those that are authorized in Florida.

In Kentucky just recently, Commissioner Thurman issued a regulation to this effect.

Advance Brunet at L. A.

Albert H. Brunet has been appointed bonding manager at Los Angeles of Maryland Casualty. He has had long experience in the bonding field both as underwriter and producer. He succeeds the late Henry Ward.

Am. Auto Ups Dividends

American Automobile has declared a quarterly dividend of 40 cents which makes an annual rate of \$1.60. Previously, the quarterly dividend has been 30 cents.

R. I. Suit Again Postponed

The injunction suit of Rhode Island Ins. Co. against Commissioner Downey has again been postponed by the superior court at San Francisco to the latter part of May.

Irschmann Makes Change

NEW YORK—National Surety has appointed Joseph F. Irschmann inland

marine manager. He has been with Appleton & Cox, since 1926. Since 1941 he has been executive assistant to the president, and superintendent of agencies.

C. O. Hoehn, who was in charge of inland marine, is promoted to assistant agency manager. He will organize educational activities and direct classes for special agents and service office underwriters.

N. Y. Assigned Risk Hearing Is Postponed

The New York department has postponed its hearing on class A-3 automobile risks and the assigned risk plan from May 5 to May 13 at the request of the industry. The deadline for submitting briefs was moved up to May 5.

Monopolistic Threat in S. C.

Monopolistic state fund workmen's compensation legislation has now been introduced in the South Carolina house. Such a measure was introduced in the senate some time ago. This is regarded as a substantial threat. A hearing before a subcommittee is expected to be held shortly.

Bywaters at Austin

Porter Bywaters, Employers Casualty, Dallas, president of Texas Assn. of A. & H. Underwriters, spoke to the Austin association on the importance of a clear understanding of the character of the Blue Cross. He also took up the President's plan for compulsory health insurance and pointed out the dangers involved.

The Louisville office of Trinity Universal has moved to 309-10 Marion E. Taylor building.

Named by Preferred Accident

Preferred Accident has named the Press Underwriting agency of Brooklyn as general agents for A. & H. William C. Jeffrey is manager of the life and A. & H. departments.

At a breakfast meeting of Grand Rapids public relations committee, George Stone outlined policy forms and endorsements in other states in connection with depreciation insurance and there was a discussion from the floor.

Wins Award

Alfonso Johnson, manager of Dallas Insurance Agents Assn. and correspondent for insurance journals, May 6 will receive the University of Missouri honor award for distinguished service in journalism.

The citation says the medal is being awarded "not so much for the work of the last year or two as on the basis of the entire record." Mr. Johnson has been manager of the Dallas association since 1930 and his newspaper and advertising activities have, therefore, been somewhat incidental and part of his duties as a trade association secretary.

In the first war he was a foreign correspondent in Japan where he became business manager of the Japan Advertiser and later was appointed U. S. trade commissioner of Japan. He returned to University of Missouri to become the first full time manager of the school of journalism's laboratory product, the "Missourian." In 1924 he became business editor of the Dallas "News" where he remained until he went with the fire and casualty agents of Dallas. He received his journalism degree from Missouri in 1922.

Alfonso Johnson



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Clothes?



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The moths lay eggs which
develop into larvae or
grubs which eat the
clothes.

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. . . who knows that Hawkeye-Security, year in and year out, provide the kind of consistent home office service that builds business for agents.

In addition to providing full Casualty and Fire Coverage Hawkeye-Security give speedy, efficient service . . . pay claims promptly and equitably; their Field Representatives work closely with agents helping them in every possible way.

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Des Moines, Iowa

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Mich. Fair Trade Compromise Sought

LANSING—Efforts are reportedly afoot to compromise differences over the department-backed fair trade practices bill (House 471) which was reported favorably by the Michigan house insurance committee.

The measure, which represents a variation of the all-industry bill, is strongly supported by Michigan carriers, but has been opposed by out-of-state interests because of its divergence from the uniform law.

Chief unique provisions are that the commissioner shall notify any person or company suspected of unfair practices and accord a private hearing on the complaint; that the party accused of a violation of fair trade practices may ask for a conference to determine whether the practice complained of is common in the industry.

Griggs Opposes Measure

At a hearing before the House insurance committee Tuesday evening E. M. Griggs, National Board of Fire Underwriters, spoke in opposition to the features in the bill which make it diverge from the uniform measure. He contended that passage of the measure in its present form would invite federal regulation because it might lead to similar divergencies in other states. Those views were echoed in part by Eldon Wallingsford, Life Insurance Assn. of America, and Norman Reynolds, Lansing attorney representing the same organization.

Mr. Griggs said the bill would endow the commissioner with the power to "make rules having the effect of law" but he would be bound in making such rules by the recommendations offered at the trade conferences called to consider complaints of unfair practices. Mr. Wallingsford said that if Michigan and other states determined separately what constituted unfair trade practices the industry operating on an interstate basis would find it simpler to operate under the federal trade commission.

Searl in Plea for Bill

William C. Searl, Auto-Owners, made a strong plea for the bill in its present form, saying that the uniform bill was framed entirely by outside companies, the same ones, he said, whose practices brought about the threat of federal regulation. He said his company was not invited to help frame any of the all-industry bills and he did not believe Michigan companies cared to have the form of regulation in this state dictated by outsiders. Earl Hotchin, Michigan Millers Mutual Fire, Lansing, and Ed Rockwell, Detroit Automobile Inter-Insurance Exchange, also strongly favored the bill, the latter declaring that Michigan does not want the product of "Wall street lawyers shoved down our throats."

Waldo O. Hildebrand, Michigan Assn. of Insurance Agents, said his membership favors the bill in its present form.

L. J. Carey, Michigan Mutual Liability, Detroit, said he was relatively neutral as to the form of the bill but wished to stress to the committee the need for passing an acceptable act to safeguard state regulation.

DEATHS

Harry N. Leonard, 65, for 15 years superintendent of bonding in the southern California office of Glens Falls Indemnity, died from a heart attack. He had been in the insurance business more than 25 years. He started with U. S. F. & G. at Salt Lake City, and later was with New York Casualty and with the old Union Indemnity at its home office.

John E. Saunders, 80, for 41 years an inspector for New Amsterdam Casualty at New York died at a Hempstead, L. I. nursing home where he had been a patient for several weeks.

Ohio Local Boards Hold Session

About 40 representatives of Ohio local and county boards attended the conference at Granville, O., last week, with Harold Bowen, Norwalk, vice-president Ohio Assn. of Insurance Agents, in the chair. Karl Gluck, Youngstown, president Ohio association, reported on the National Assn. of Insurance Agents meetings at French Lick and San Francisco and T. M. Gray, Columbus, secretary, reported on legislative developments. Past President Herbert Boynton, Toledo, was toastmaster at the dinner.

Speakers at the session included Carl Burns, Dayton, on planning programs for board meetings; George Wenger, Lima, on interesting young men in local boards; H. C. Burrell, Delaware, on county-wide public relations activities, and Arthur M. O'Connell, Cincinnati, on the threat of state automobile compensation funds and the importance of legislative developments to insurance men. He went into the history of the Ohio monopolistic workmen's compensation fund, which was passed in 1911 and strengthened by the constitutional convention of 1912, in detail, pointing out how the insurance business, through fumbling the ball, lost thousands of dollars in employers liability premiums and potential millions in compensation premiums and warned that the same could happen in the automobile field. A recording of the recent radio debate between Mr. O'Connell and R. S. Marx, former Cincinnati judge, on the proposed automobile compensation fund, was played. Dwight Rutherford, Athens, told how his board recently solved the problem of a serious automobile collision rate increase.

Bowling League Dinner in New York May 12

The annual dinner of Insurance Bowling League of New York is being held May 12 at Downtown Athletic Club. George H. Baird of the re-insurance firm of Pritchard & Baird is chairman of the committee on arrangements. The George N. Gavey trophy will be awarded to the first place team, together with a cup given to the winning team by the league itself. Second place team will get a trophy that was donated by Jack Seide, president of Babaco Alarm Systems.

The final bowling night is Friday of this week and at this point Aetna Fire is in first place with Fireman's Fund Marine a close second. The teams that have a problematical chance for second place are Aetna Life, Yorkshire and Pearl.

Ask N. C. Rate Probe

RALEIGH, N. C.—The North Carolina legislature adopted resolutions directing the commission to investigate the fire rate on tobacco storage barns, and to particularly look into the "discrepancy" in rates fixed by N. C. Fire Insurance Rating Bureau which allegedly has fixed a rate of \$1.10 on certain barns and a rate of \$3.90 on such barns used for storage tobacco.

The measure was passed over the opposition of Rep. Lassiter, who said it was "just a slap in the face" to Commissioner Hodges by implying that "he's being lazy and not doing his job." "You're telling him that unless he can show the rate shouldn't be lowered, he's got to cut it," Lassiter said.

Mr. Hodges in general had a bad time with the legislature.

\$100,000,000,000*

BACKLOG IN PUBLIC WORKS

ESTIMATE FROM AN OFFICIAL SOURCE OF THE
NEEDS OF STATES AND LOCAL COMMUNITIES

* Here's how the total figure is arrived at:

RECREATIONAL FACILITIES.....	\$ 2 BILLION
PUBLIC-SERVICE PLANTS.....	2½ BILLION
PUBLIC BUILDINGS.....	3½ BILLION
AIRPORTS.....	3½ BILLION
HOSPITALS.....	8½ BILLION
SEWERS AND WATERWORKS.....	9½ BILLION
SCHOOLS.....	10½ BILLION
HIGHWAYS.....	\$60 BILLION

NOTE: Federal Projects not included.

.. AND PRACTICALLY
EVERY DOLLAR
MUST COME
UNDER A
CONTRACT BOND

*How much of this bond
business will you get?*

THE ANSWER: You will be in position to get a good share, if you will call on your local contractors now and prequalify them with Ohio Casualty.

By pre-establishing their credit with us you bring them the double advantage of attractive rates and prompt issuance of the bonds when they need them.

If you are interested in increasing your Contract Bond premiums—with related coverages, Contractors' Liability and Property Damage, Workmen's Compensation, Automobile, Dishonesty, Burglary and Hold-up—get in touch with us now!

THE OHIO CASUALTY INSURANCE COMPANY

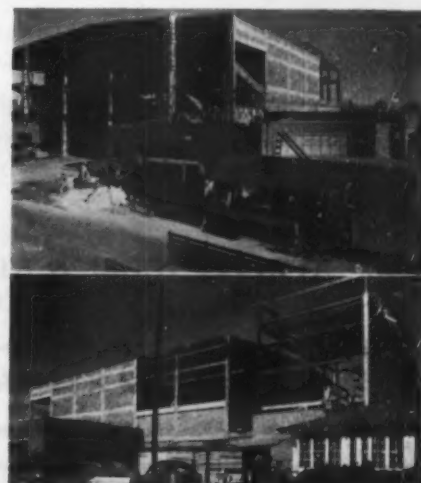
HOME OFFICE,
HAMILTON, OHIO

Fast, friendly coast-to-coast claim service

Congratulations

to Oliver Joe Bailey, of Oliver Joe Bailey - Morgan, Inc., Orlando, Florida, for his alertness in prequalifying the contractor and then writing the contract bond for the beautiful new Peabody Auditorium — now being erected by the City of Daytona Beach, Florida.

Congratulations, too, to the contractor, J. L. Ewell, Lakeland, Florida—and to the architects, MacDonald & Craig, and Francis R. Walton, Daytona Beach.



N. J. AGENTS HOLD MID-YEAR RALLY

(CONTINUED FROM PAGE 15)

working with the Unemployment Compensation Commission of New Jersey, and he urged agents to provide the committee with any suggestions and problems they may have.

What is being done on long haul trucking insurance, one agent asked. Herbert Brooks of Newark, asserted that progress is being made. Another questioned him about the 18-23 year old drivers. Cold figures show fewer accidents are caused by over-age drivers and the accidents are a great deal less severe than those caused by young drivers, he replied. The quicker reflexes of the young are more than offset by their lack of judgment. If and when automobile liability rates are revised, he predicted that there will be heavier loadings on younger drivers. He suggested

that new plans are in the offing and that the rate for the A-3 class would approximate the present B rate.

Mr. Brooks was applauded on announcement he had a new baby at his house.

A capable summary of the San Francisco meeting of the National association was presented by Charles Frankenhach, Westfield, state national director. The choice of Charles P. Butler as executive vice-president is very fortunate, he believes.

Whether the National association should have authority to negotiate on commissions is a big issue which calls for careful consideration. One thing such authority would do, he pointed out, would be in connection with commission reductions, on plate glass for example.

New York agents conferred in that state with the companies on the plate glass commission change, they objected, and they haven't had the commission cut other states got. N.A.I.A. conference on the subject might have avoided such a reduction.

Headquarters Allocation

New Jersey is not interested in increasing its N.A.I.A. allocation over the 1948-49 figure, believing that any reduction at headquarters should be reflected in the New Jersey cost. Several states are dissatisfied with their quota, but New Jersey doesn't intend to get some of the allocation shifted to it, he declared.

The report on the eastern territorial conference was given by H. Earl Munz, Paterson, chairman of the executive committee.

Russell E. Stevens, Newark, chairman of the educational committee, paid tribute to George Martin of New York Underwriters, who is in charge of the fire and allied lines section of the course being sponsored by the association; to Richard Gimber and Paul Parris of Fidelity & Deposit, who handle the casualty and surety section; to Edmund M. Neary, American, and Thomas McCormick, Maryland Casualty for their contributions. The course has been highly successful. This year local agents participate in the net profits of the courses sponsored by them in their own territories.

President Madara Reports

President J. Clarence Madara, Camden, reported a record membership of 1,214. The co-chairmen of the membership committee, Peter Wilhelm, Bergen county, and Frank Anderson, Camden county, have a May-June drive for new members planned.

Mr. Madara commented on, and agents of the state seem to be well pleased with, the success of the permanent office of executive secretary. Charles Unger, capably assisted by Barbara Hurd, has made the office a success. It does a formidable amount of work on legislation, membership, education, etc., and does it in a way that maintains a very high class public relations. Mr. Unger in reporting for the treasurer noted that there have been a number of dues increases because agencies have moved up a bracket or two in the schedule.

West and Gallagher

Oscar West, manager of the N.A.I.A. Washington office, gave a forceful picture of the situation there, and Eugene F. Gallagher, manager special services department of the Standard of Detroit group, wove into a highly entertaining talk some thoughtful comments on the commission problem. He suggested that on interstate business, where there is a strong demand by supervisory authorities for a debit-credit rating scheme, the principle involved is more important than the business on this particular line. If debits and credits are used on stocks, why not on buildings, why not on large individual insured such as utilities, etc.?

Commissioner Gough and Anne Ritchie, Paterson, president Insurance Women of New Jersey, took bows.

Because of the lateness of the hour, O. Roy Carlson, assistant secretary of the American group, was unable to present his discussion of the bank-agent auto plan, but will appear on a later program.

Headquarters Are Maintained

Arthur D. Reeve, Jr., president of the Essex county association, made a welcoming talk.

Headquarters were maintained by the Meserole group, Jersey, Pacific Fire, Bankers & Shippers, with Frank J. Rieder, agency superintendent; John Luehs, state agent, and George Walther, special agent, doing the honors.

John Cosgrove and Harold Taylor of the public relations department and Sam H. Reiter, state agent, were hosts at American headquarters.

Standard of Detroit entertained its friends.

Complete A. & H. Results for 1948 in Kansas

Premiums of \$5,160,452 for life companies writing accident and health business in Kansas raise the total 1948 premiums in that state to \$37,726,726, while losses are increased by \$2,442,351 to a total of \$15,416,799.

The business of American Credit Indemnity in Kansas also has been reported. That company had premiums of \$18,953 and losses of \$375.

A. & H. business by companies supplementing the table shown in the April 21 issues is shown below:

Aetna Life	\$ 370,026	\$ 182,651
Am. Hosp. & Life	7,764	11,318
Atlanta Life	25,898	8,908
Atlas Life	34,646	12,403
Bankers Life & Cas.	1,749	1,098
Bankers Life, Ia.	9,771	8,473
Ben. Assn. Ry. Empl.	250,521	152,958
B. M. A.	350,587	441,394
Columbian Nat'l Life	26,762	8,981
Columbus Mutual	472	268
Conn. Gen. Life	152,365	114,904
Continental Assur.	20,988	48,534
Credit Life	107,848	18,962
Equitable Society	456,284	291,977
Farmers Life, Ill.	398	7,735
Federal Life & Cas.	22,080	6,735
Federal Life, Ill.	16,794	12,245
Franklin Life	6,764	319
Gen. Amer. Life	61,326	44,793
Great Amer. Res.	9,122	1,802
Great Northern Life	26,827	8,071
Great-West Life	299	.....
Ill. Bankers Life	69,702	22,187
John Hancock	105,518	62,009
Lincoln Nat'l Life	6,181	2,773
Loyal Prot. Life	4,660	1,020
Mass. Mutual Life	1,826	1,189
Metropolitan Life	65,213	28,063
Midwest Life	2,735	689
Missouri Ins.	133,774	28,180
Monarch Life	72,392	29,672
Natl. Fidelity Life	41,719	15,219
Natl. Industrial	10,556	4,687
National L. & A.	280,795	110,922
North Amer. Acc.	123,625	46,943
North Amer. Life	7,431	775
Northern Life	2,153	231
Occidental Life	46,228	25,921
Old Repub. Credit	929	.....
Order Ry. Empl.	56,963	25,418
Pacific Mut. Life	204,711	83,952
Paul Revere Life	120,784	48,841
Peerless L. & A.	68,483	19,010
Postal Life & Cas.	42,701	24,135
Provident L. & A.	153,180	86,164
Prudential	134,763	110,413
Pyramid Life	12,221	3,746
Reliable Life	5,988	2,172
Security L. & A.	57,442	26,560
Union Mutual Life	127,004	3,387
United Benefit Life	253,204	87,396
United, Ill.	143,374	60,607
Washington Nat'l	243,986	80,078
Woodmen Central	31,815	16,437
World	50,557	9,497

Salvage Corps Elects

ST. LOUIS—John J. O'Toole, secretary of F. D. Hirschberg & Co., and president of Missouri Assn. of Insurance Agents, has been elected president of Underwriters Salvage Corps.

Appleton & Cox Parley

A convention of the midwestern department of Appleton & Cox will be held at the Stevens Hotel, Chicago, May 4-5.

Among the home office executives who will address the meetings are D. Farley Cox, Jr., president; Oken E. Barker, executive vice-president; William R. McBean and Frederick A. Keller, vice-presidents, and John V. Addy, field supervisor.

Hike Tenn. W. C. Benefits

NASHVILLE—Maximum workmen's compensation benefits have been increased in Tennessee from \$20 to \$25, with a minimum of \$10. The 60% of average weekly pay basis has been retained. Maximum compensation for total disability is raised from \$6,500 to \$7,500.

D. M. Holman Retires

Dudley M. Holman, president of United States Mutual Liability of Quincy, Mass., since 1933, has resigned and is succeeded as president by Edward V. Hickey, formerly with Travelers at Boston. John T. Riley has been elected secretary.

Mr. Holman has retired to his home at Thomaston, Me.

Think!

BROKERS ASSOCIATIONS (STATE OR LOCAL)

AGENTS

Have you insured your liability
for the errors and omissions of
YOUR employees?

NEWHOUSE AND HAWLEY, INC.

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116 JOHN ST.
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Payroll & Other Casualty Audits
& Inspections.

Audits of Burglary & Bond losses.

Audits for reinsurance companies
of payrolls, claims, etc.

Inland Marine Audits & Inspections.

Audits of Cargo Motor Lines to
determine financial responsibility
and outstanding claims.

ATWELL, VOGEL & STERLING, INC.

60 John Street, New York—WHitehall 4-3477

A-1855 Insurance Exchange, Chicago—9 Clinton St., Newark—

369 Pine St., San Francisco

18 other offices providing nationwide service.

Results

for life com-
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e total 1948
\$37,726,726,
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Credit In-
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0 \$ 182,651

1 11,318

2 8,908

3 12,403

4 1,093

5 5,472

6 162,958

7 441,394

8 8,981

9 263

10 114,904

11 48,534

12 18,963

13 291,977

14 6,756

15 12,245

16 219

17 44,793

18 1,802

19 8,071

20 22,187

21 62,009

22 3,773

23 1,020

24 1,189

25 28,062

26 689

27 28,180

28 15,219

29 4,687

30 110,932

31 46,943

32 775

33 231

34 25,931

35 25,416

36 82,862

37 48,841

38 19,010

39 24,135

40 86,164

41 110,413

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Casualty Net Premiums and Paid Losses in 1948 in WISCONSIN

	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. Premiums and Losses	Total Premiums and Losses	Auto. Liab. Premiums and Losses	Other Liab. Premiums and Losses	Work. Comp. Premiums and Losses	Fidel. Premiums and Losses	Surety Premiums and Losses	Plate Glass Premiums and Losses	Burg. Theft Premiums and Losses	P. D. Premiums and Losses
Acme Life	2,413,989																	
Acme Cas.	1,757,555																	
Acme & Cas.	4,171,544	168,928	24,929	359,216	182,582	6,656	1,147	7,760	9,316	4,171,544	168,928	24,929	359,216	182,582	6,656	1,147	7,760	9,316
Acc. & Cas.	95,745	31,816	8,748	24,066	4,386	485	1,511	6,426	16,130	95,745	31,816	8,748	24,066	4,386	485	1,511	6,426	16,130
Albiate	1,137,229	645,131								1,137,229	645,131							
Amer. Auto.	1,722,778	808,590	148,302	195,514	8,634	5,563	9,311	48,375	500,373	1,722,778	808,590	148,302	195,514	8,634	5,563	9,311	48,375	500,373
Amer. Cas.	732,878	402,881	15,923	59,120	6,834	6,615	3,360	13,857	24,235	732,878	402,881	15,923	59,120	6,834	6,615	3,360	13,857	24,235
Amer. Empl.	291,779	91,574	18,212	30,732	3,932	9,035	3,064	8,728	47,303	291,779	91,574	18,212	30,732	3,932	9,035	3,064	8,728	47,303
Am. Fm. Mu. Au.	409,455	163,397	45,408	102,439	10,199	7,510	7,147	17,295	88,522	409,455	163,397	45,408	102,439	10,199	7,510	7,147	17,295	88,522
Am. F. & C. Va.	156,756	68,664	9,309	38,859	3,287		3,995	2,744	27,837	156,756	68,664	9,309	38,859	3,287		3,995	2,744	27,837
Am. F. & C. Va.	1,145,142	488,773	26,064	47,354					519,162	1,145,142	488,773	26,064	47,354					519,162
Am. F. & C. Va.	203,045	66,233	2,664	1,973					252	203,045	66,233	2,664	1,973					252
Amor. G. & L.	61,556	30,000								61,556	30,000							
Amer. Indem.	101,887	46,922	3,134			41	50	5,662	2,498	101,887	46,922	3,134			41	50	5,662	2,498
Amer. Mot.	206,911	19,521	17,203	134,357	7,093	4,112	38	946	19,278	206,911	19,521	17,203	134,357	7,093	4,112	38	946	19,278
Am. Mut. Liab.	1,810,694	376,409	35,851	900,981	4,150	250	75	6,740	208,164	1,810,694	376,409	35,851	900,981	4,150	250	75	6,740	208,164
Amer. Re.	55,259	7,760	2,246	6,779	13,031	21,098	12	809	2,035	55,259	7,760	2,246	6,779	13,031	21,098	12	809	2,035
Amer. Sur.	379,815	103,409	31,837	40,255	68,019	42,283	4,063	18,443	50,337	379,815	103,409	31,837	40,255	68,019	42,283	4,063	18,443	50,337
Assoc. Indem.	230,797	—201	3,802	235,832	—606				15	230,797	—201	3,802	235,832	—606				15
Bader State	314,451	143,803								314,451	143,803							
Bankers Indem.	209,292	107,237	9,884	36,076	8		2,376	4,858	48,391	209,292	107,237	9,884	36,076	8		2,376	4,858	48,391
Bizam. Cas.	497,558		31,574	459,014						497,558		31,574	459,014					
Car & Gen.	168,569	84,797	9,110	22,949	739	483	3,611	5,005	41,282	168,569	84,797	9,110	22,949	739	483	3,611	5,005	41,282
Cas. Recip. Ex.	217,078	113,259	2,814	90,435						217,078	113,259	2,814	90,435					
Columbia C.	290	153	—13							290	153	—13						
Cent. Sur.	103,132	31,927	7,352	21,464	1,918	3,514	1,084	1,637	29,460	103,132	31,927	7,352	21,464	1,918	3,514	1,084	1,637	29,460
Century Ind.	186,705	54,180	19,935	57,373	5,120	6,621	5,805	8,798	27,325	186,705	54,180	19,935	57,373	5,120	6,621	5,805	8,798	27,325
Cheesemkr. M. C.	318,122	171,233								318,122	171,233							
Chgo. Ice. Fro. Ma.	10,323	98	17	10,084						10,323	98	17	10,084					
Columbia Cas.	58,377	4,588	2,423	9,482	3,778	871	529	1,337	2,454	58,377	4,588	2,423	9,482	3,778	871	529	1,337	2,454
Commer. Cas.	307,583	191,724	25,450			2,856	3,791	7,891	9,080	307,583	191,724	25,450			2,856	3,791	7,891	9,080
Conn. Indem.	149,561	86,764	3,100		—180		2,939	1,151	19,269	149,561	86,764	3,100		—180		2,939	1,151	19,269
Cont. Cas.	3,095,181	708,587	175,429	542,028	32,847	74,492	15,972	76,487	337,555	3,095,181	708,587	175,429	542,028	32,847	74,492	15,972	76,487	337,555
Eagle Indem.	1,046,137	252,625	35,273	200,110	4,032	110	9,554	12,407	144,576	1,046,137	252,625	35,273	200,110	4,032	110	9,554	12,407	144,576
Empl. Liab.	75,115	40,906	2,718	12,696	—68		1,807	2,153	13,335	75,115	40,906	2,718	12,696	—68		1,807	2,153	13,335
Empl. Mut. Cas.	423,313	143,759	9,688	136,875		654	1,313	1,302	99,366	423,313	143,759	9,688	136,875		654	1,313	1,302	99,366
Empl. Mu. Liab.	12,701,752	1,025,266	595,894	9,645,243	3,877		5,316	28,387	1,011,873	12,701,752	1,025,266	595,894	9,645,243	3,877		5,316	28,387	1,011,873
Empl. Re.	636,345	365,823	30,077	64,779	17,238	29,280	73	11,619	38,798	636,345	365,823	30,077	64,779	17,238	29,280	73	11,619	38,798
Fae. Mut. Liab.	29,105	9,062	176							29,105	9,062	176						
Farms. Mut. Au.	4,388,893	2,334,484	48,681				27,548	1,339,526		4,388,893	2,334,484	48,681				27,548	1,339,526	
F. & C.	1,680,119	890,264	7,726				5,406	677,613		1,680,119	890,264	7,726				5,406	677,613	
F. & D.	1,718,647	502,866	155,776	325,751	86,618	29,002	13,576	139,003	251,889	1,718,647	502,866	155,776	325,751	86,618	29,002	13,576	139,003	251,889
Fremman's Fund	385,471	127,066	67,366				6,405	1,883	23,696	385,471	127,066	67,366				6,405	1,883	23,696
Gen. Acc.	324,837	285,886	45,627	164,926	158		4,545	16,993	151,474	324,837	285,886	45,627	164,926	158		4,545	16,993	151,474
Gen. Cas.	197,753	114,033	15,969	2,739	2,612	1,771	2,319	4,992	53,280	197,753	114,033	15,969	2,739	2,612	1,771	2,319	4,992	53,280
Gen. Cas. & W.	3,041,119	1,459,548	94,706				12,438	45,757	1,166,380	3,041,119	1,459,548	94,706				12,438	45,757	1,166,380
Gen. Re.	280,767	138,564	5,512	6,718	45,609	35,858	378	15,614	8,778	280,767	138,564	5,512	6,718	45,609	35,858	378	15,614	8,778
Globe Falls	329,074	99,458	40,760	94,595	6,784	8,568	15,796	81,906		329,074	99,458	40,760	94,595	6,784	8,568	15,796	81,906	
Globe Indem.	335,849	120,496	19,836	75,182	6,188	4,570	3,562	15,570	64,287	335,849	120,496	19,836	75,182	6,188	4,570	3,562	15,570	64,287
Govt. Empl.	52,109	20,338								52,109	20,338							
Gr. Amer. Ind.	543,746	222,096	53,387	113,799	6,945	3,037	6,217	32,926		543,746	222,096	53,387	113,799	6,945	3,037	6,217	32,926	
Hdw. Mut. Cas.	2,211,232	461,478	38,498	1,982,478						2,211,232	461,478	38,498	1,982,478					
Hartford Acc.	2,596,238	879,150	236,331	996,189						2,596,238	879,150	236,331	996,189					
Home Indem.	4,714	833	773							4,714	833	773						
Home Mut. Cas.	1,345,131	657,493								1,345,131	657,493							
Indem. of N. A.	576,943	275,365								576,943	275,365							
Integrity M. C.	71,397	13,187	1,444	9,785	17					71,397	13,187	1,444	9,785	17				
Ia. Mut. Liab.	502,515	187,474	15,014	104,333						502,515	187,474	15,014	104,333					
Liberty Mut.	1,632,153	90,268	43,933	1,301,642	20,903					1,632,153	90,268	43,933	1,301,642	20,903				
Lond. & Lanc.	501,325	180,831	64,491	91,783	7,645	16,587	14,790	21,790		501,325	180,831	64,491	91,783	7,645	16,587	14,790	21,790	
London Guar.	371,329	101,372	34,946	48,890	100	55	1,688	6,139	80,443	371,329	101,372	34,946	48,890	100	55	1,688	6,139	80,443
Lumb. Mut. Cas.	1,265,458	291,177	485,477	85,444						1,265,458	291,177	485,477	85,444					
Mfrs. & Mer. Ind.	503,439	118,181	12,615	136,029	1,199	10	1,933	4,844		503,439	118,181	12,615	136,029	1,199	10	1,933	4,844	
Md. Cas.	971,610	213,450	78,920	202,011	64,549	24,000	11,610	40,812	124,799	971,610	213,450	78,920	202,011	64,549	24,000	11,610	40,812	124,799
Mass. Bond.	414,454	81,780	63,025	134,877	20,291	—5,023	5,026	4,305	62,190	414,454	81,780	63,025	134,877	20,291	—5,023	5,026	4,305	62,190
Mass. P. M. C.	139,351	23,973	7,660	65,336	2,998	10,609	5,213	3,369	17,833	139,351	23,973	7,660	65,336	2,998	10,609	5,213	3,369	17,833
Med. Prot.	44,915									44,915								
Merch. Indem.	79,406	47,258	6,630							79,406	47,258	6,630						
Metrol. Cas.	508,091	283,709	37,917							508,091	283,709	37,917						
Mich. Mut. Liab.	2																	

(CONT FROM PRECEDING PAGE)

	Total Prelim. and Losses	Auto. Liab. Prelim. and Losses	Other Liab. Prelim. and Losses	Work. Comp. Prelim. and Losses	Fidel. Surety Prelim. and Losses	Plate Glass Prelim. and Losses	Burg. Theft Prelim. and Losses	P. D. & Coll. Prelim. and Losses
Threshers' M. C.	470,914	18,527	452,387	207,901	321,311			
Travelers	1,244,884	81,240	1,163,644	135,223				
Travelers Ind.	2,222,529	749,331	1,473,198	500,298	33,192	28,005	78,024	391,582
Untd. Nat. Ind.	111,170	61,740	5,560	8,727	1,400	3,260	537	1,878
U. S. Cas.	74,443	23,521	8,027	27,863	881	305	436	1,366
U. S. F. & G.	1,649,007	434,433	1,214,574	339,730	167,185	184,923	14,668	81,785
U. S. Guar.	163,268	60,917	3,940	39	15,764	49,025	693	3,669
Utica Mut.	28,278	11,644	3	1,922	601	290	267	12,064
Western Cas.	672,748	364,091	27,720	74,621	899	2,104	6,093	6,426
West. Surety	231,460	125,087	4,204	22,919			3,163	1,427
Wis. Mut. P. Co.	60,236			14,257	45,979			
Yorkshire	90,437	36,980	9,260	5,766	549	7,395	3,590	5,027
Zurich	760,370	149,761	183,277	230,943			4,432	9,864
	340,138	92,250	27,094	121,235			2,540	688

Wisconsin Totals

	1946	1947
Total Prelim.	\$110,355,200*	\$87,491,585
Total Losses	43,349,849*	39,256,598
Auto B.I. Prelim.	24,377,270	20,709,147
Auto B.I. Losses	9,993,776	8,270,663
Other Liab. Prelim.	4,131,308	3,782,872
Other Liab. Losses	889,654	699,107
W. C. Prelim.	22,025,631	19,713,071
W. C. Losses	9,595,486	5,596,123
Fidelity Prelim.	1,447,410	1,638,165
Fidelity Losses	132,406	68,379
Surety Prelim.	1,342,465	1,063,374
Surety Losses	87,183	—8,224
Glass Prelim.	395,471	337,415
Glass Losses	205,093	202,034
Burglary Prelim.	1,459,118	1,399,968
Burglary Losses	342,662	247,151
P.D.-Coll. Prelim.	16,266,509	13,480,712
P.D.-Coll. Losses	6,785,682	6,156,212

*Includes classes shown below and fire, theft, etc., of full cover auto insurers and

\$5,655,071 premiums and \$4,615,188 losses of Associated Hospital Service (Blue Cross), Milwaukee.

Other Lines

	Net Prelim.	Paid Losses
Aetna Life	2,413,989	1,767,437
Aetna Cas.	649	600
Acc. & Cas.	1,677	163
Amer. Auto.	86	—
Amer. Cas.	59,199	35,977
Amer. Empl.	8,054	6,649
Am. Farm. Mut. Auto.	7	—
Amer. Motorists	3,765	585
Amer. Mut. Liab.	279,014	235,028
Amer. Re.	798	44
Amer. Surety	113	—
Bankers Indemnity	552	—
Bankers Life, Ia.	85,702	55,177
Ben. Assn. Ry. Empl.	861,354	641,170
Bur. Men's Assur.	593,043	378,674
Car. & Gen.	36	—
Celina Mutual Cas.	15	302
Central Surety	184	79
Century Indemnity	1,548	147
Columbia Casualty	1,458	60
Commer. Casualty	71,944	36,343
Conn. Gen. Life	174,751	132,579
Cont. Assur.	207,814	196,373
Cont. Casualty	1,114,186	387,350
Eagle Indemnity	1,670	1,498
Empl. Liab.	17,550	2,429
Empl. Mut. Ben.	29,562	9,485
Empl. Mut. Cas.	4,011	—
Empl. Mut. Liab.	359,339	234,011
Empl. Re.	27,284	15,918
Equitable Society	1,409,693	881,724
Federal Casualty	297,830	139,789
Federal Life, Ill.	40,566	21,111
F. & C.	132,213	41,407
Fireman's Fund Ind.	2,561	186
First Natl. Cas.	214,915	56,671
Franklin Life	9,191	1,332
General Acc.	12,634	5,630
Gen. Cas. Wia.	19,342	1,640
General Re.	9,608	2,356
Glens Falls	9,730	2,064
Globe Indemnity	21,700	5,418
Great Amer. Ind.	5,581	10,731
Great Northern Life	417,515	85,623
Hardware Mut. Cas.	527,818	374,037
Hartford Accident	130,994	61,843
Home Indemnity	247	—
Illinois Mut. Cas.	443,302	360,185
Indemnity of N. A.	8,915	75
Inter-Ocean	16,464	5,069
Inter-State Assur.	28,355	9,111
John Hancock	518,714	344,765
Liberty Mutual	176,732	107,406
Lincoln Natl. Life	109,159	71,351
Lond. & Lanc. Ind.	14,703	7,633
Lond. Guar.	5,333	871
Loyal Prot. Life	119,186	40,748
Lumbus. Mut. Cas.	11,884	2,780
Maryland Casualty	22,253	12,918
Mass. Bonding	20,272	11,559
Mass. Indemnity	6,857	638
Mass. Mut. Life	10,563	3,530
Mass. Prot.	418,045	185,004
Merch. Indemnity	80	—
Metropolitan Life	1,655,904	945,112
Metropolitan Cas.	25,692	19,216
Mut. Ben. H. & A.	1,402,324	559,203
Mut. Indemnity, Wia.	49,114	7,879
Mut. Service Life	24,473	9,072
National Casualty	340,770	166,700
New Amster. Cas.	21,863	1,350
New York Casualty	20	—
North Amer. Acc.	76,291	22,383
No. Amer. L. & C.	631,857	285,429
North Amer. Life	76,527	20,351
Norwich Union Indemnity	1,536	855
Ocean Acc.	8,934	5,679
Ohio Casualty	85	—
Ohio Farmers Ind.	595,971	359,845
Old Line Life	86,633	64,174
Pacific Mut. Life	246,724	114,029
Peerless Casualty	6,349	1,229
Personal Indemnity	567,976	164,282
Phoenix Indemnity	11,516	2,873
Preferred Accident	17,356	5,061
Prof. Mutual	36,325	12,357
Provident L. & A.	269,830	161,224
Prudential	706,943	416,935

	Net Prelim.	Paid Losses
Royal Indemnity	10,433	5,935
St. Paul-Merc. Indemnity	2,676	814
Sec. Mut. Life, N. Y.	21,450	10,237
Standard Accident	245,126	146,897
State Mutual Life	434	—
Sun Indemnity	1,204	1,160
Time	1,471,786	764,204
Travelers	1,244,884	738,269
Union Labor Life	39,754	23,611
United Benefit Life	203,645	73,418
United Natl. Indemnity	70	—
U. S. Casualty	757	1,182
U. S. F. & G.	15,805	4,993
U. S. Guarantee	205	—
Washington National	712,286	385,180
Western Casualty	1,707	496
Wisconsin Casualty	33,988	14,007
Wisconsin Natl. Life	268,620	125,512
Woodmen Accident	476,810	160,375
Zurich	73,401	46,991
Totals	\$22,908,836	\$12,355,600
1947	17,776,652	9,920,538

STEAM BOILER & MACHINERY

	Net Prelim.	Paid Losses
Aetna Cas.	1,382	569
Amer. Empl.	40,436	900
Amer. G. & L.	53,216	5,985
Amer. Re.	683	—
Columbia Cas.	31,967	—
Empl. Liab.	42,775	124,141
Empl. Mut. Liab.	26,547	23,965
Empl. Reins.	1,099	—
Fidelity & Cas.	76,183	10,209
Gen. Acc.	404	—
Gen. Cas., Wash.	29	4,518
Gen. Reins.	14,073	73,906
Globe Indem.	4,053	—
Hartford Steam Boil.	578,012	194,993
London Guar.	13,638	91
Lumbermens Mut. Cas.	117,419	52,290
Maryland Cas.	165,784	39,526
Mutual Boiler	250,477	10,867
Ocean Acc.	52,556	44,921
Phoenix Indem.	4,086	—
Royal Indem.	14,677	1,419
Standard Acc.	2,663	—
Travelers Indem.	196,291	42,853
Totals	\$1,606,209	\$453,530
1947	1,420,911	356,519

SPRINKLER & WATER DAMAGE

	Net Prelim.	Paid Losses
Aetna Cas.	8,436	2,226
Indem. of No. Am.	96	18
Maryland Cas.	2,843	249
Metro. Cas.	106	—
Ocean Acc.	—	235
U. S. F. & G.	1,253	318
U. S. Guarantee	—	1,000
Totals	\$12,733	\$4,046
1947	13,131	1,320

LIVESTOCK

	Net Prelim.	Paid Losses
Hartford Acc.	13	—
Hartford Livestock	29,481	10,628
Rural Mut. Cas.	12,517	3,816
Totals	\$42,011	\$13,944
1947	40,527	18,073

CREDIT

	Net Prelim.	Paid Losses
Amer. Credit Ind.	69,292	2,482
Empl. Re.	4,668	611
Gen. Re.	1,705	619
Lon. Guar. & Acc.	9,757	1,532
Totals	\$85,422	\$5,044
1947	77,577	17,566

Holds Agent's Action Bound Cover on Substituted Car

Milwaukee Mechanics has been held liable by Georgia court of appeals for coverage on a substituted car despite the fact that the accident occurred 109 days after the new car was acquired and that there had been no change effected in coverage in writing. The case is Milwaukee Mechanics et al. vs. Davis et al. Foster L. Davis was the assured. He had a combination policy on an Old-

mobile running from March 5, 1946, to March 5, 1947. At the time of the accident, Nov. 16, 1946, he was driving Cadillac and Donald C. Morton and Luther B. Hawkins were injured.

Following the accident Davis advised Milwaukee Mechanics that he had acquired the Cadillac July 27, 1946. Davis declared that a few days after he got the Cadillac, Hyman B. Morris, the local agent who had written the policy, carried Davis from his place of employment to a garage in Atlanta where Davis' Cadillac was being repaired. Davis said Morris told him that the car was covered by the same insurance policy but asked Davis to call him some time and give him the motor number.

Davis contended that Morris had authority to issue endorsements changing the automobile covered by the contract that it was the custom of the insurer to issue binders over the telephone orally and that Milwaukee Mechanics knew of this custom and authorized the practice of their agent in issuing oral binders and always ratified the practice and approved such coverage.

The case went up to the supreme court and was transferred to the court of appeals for determination of certain technical matters.

After going into many juridical questions, the court of appeals found that the trial court did not err.

Note Interstate Effects of Disability Coverage

Companies and agents who have grown plans on firms with employees in many sections of the country are getting an servicing inquiries concerning the coverage of employees in compulsory disability benefits states. Many out of state firms have employees in either New York, New Jersey or California. The New York bill created considerable interest in their group insured to check for employees located in UCD states. The number of out of state firms with employees in New York was considerably greater than firms outside of New Jersey or California who had employees there.

To firms with employees in a number of states the reasons for insuring with private companies are compelling. The problems of an Ohio home office, for example, in handling disability benefits for employees through state funds in California, New Jersey and soon New York, would be cumbersome. One carrier can write the coverage for the firm in all states, giving simplified administration and claims treatment. The insurance-in-one appeal is one to which these firms are quite susceptible.

Old Equity in New Home

Old Equity has opened new quarters at 23 East 6th avenue, Gary, Ind. This is its 20th anniversary. Joseph F. Neill is president. It writes home demonstration, accident and life insurance. The company moved to Gary from Indianapolis 15 months ago.

WANT ADS

ACCIDENT AND HEALTH MANAGER

For established New England Company. Must be topnotch Accident and Health Specialist, completely familiar with both group and commercial coverages. Will plan, develop, operate nationwide sales activities. Broad Sales and Underwriting experience plus managerial ability essential. Unlimited future opportunity. Please write complete personal and business resume to Box U-20, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. Your reply will be held in strict confidence.

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Thoroughly experienced casualty underwriter and executive over 20 years in home and branch office work desires a responsible position preferably as casualty manager or assistant to executive. Willing to go anywhere as soon as possible. Best references can be supplied. Replies held in confidence. Address U-18, The National Underwriter, 99 John Street, Room 1103, New York 7, N. Y.

Man experienced in casualty rating. Good salary. All replies confidential. Give full details. Our employees are informed of this advertisement. Write U-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

YOUNG CASUALTY UNDERWRITER

Fast growing Indiana mutual company needs young underwriter experienced in casualty. Good future for qualified man. Address U-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Excellent position awaits young man with as much as 5 years experience in general casualty accounting. Must be ambitious, studious and willing to train for the top position. Indiana company. Address U-27, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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BALTIMORE

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Standard Oil SS Man Lauds New York TDB Measure

(CONTINUED FROM PAGE 15)

of first importance to the public, to employees, employers and to insurance. Broadly speaking, he said, states can legislate wide TDB coverage in two ways. First the state may create a social security type of state fund for the payment of benefits which may be supported by a payroll tax on employees, employers, or both. The system may or may not allow employers and employees to become exempt from the state tax by substituting so-called private plan benefits. Rhode Island is the only state so far to adopt a monopolistic state fund. California and New Jersey also use the device of a social security type tax and state fund but allow exemptions from the state system through the approval of private plans. In each of these three states the TDB system modeled closely after and is administered in conjunction with the state employment insurance system.

State Police Power

The second method of achieving compulsory wide spread coverage is through exercise of the state police power in the field of health and welfare. Employers are required by law to furnish their employees with a certain minimum scale of benefits but are allowed wide latitude in the means chosen for providing such benefits. There is no state fund to pay benefits to employees. The philosophy behind this method resembles somewhat the workmen's compensation theory. Such legislation may provide that coverage may be given through insurance, self insurance or perhaps through agreement with a union or employee mutual benefit association which pays the benefits or may in addition to these other methods of affording coverage, provide a competitive state fund. If the state fund is required to accept any application for insurance there is no need for a law assignment. New York has just adopted a law of this latter type, he observed.

Under the second method of compulsory an employer must take some action to select a vehicle for providing the required protection. Under a social security type system permitting contracting out, if the employer does nothing, the tax is automatically levied and his workers are automatically eligible for state fund benefits.

Criticizes Inertia of Employers

He pointed out that in the first three months under the New Jersey law there were approved private plans covering better than 50% of subject employees. Despite this good record, he said, there is evidence that inertia on the part of employers has resulted in their having state fund coverage when consideration of all the factors would demonstrate private plan coverage to be far more advantageous.

The speaker said that certain specific objectives have emerged which should be attained by any law dealing with the subject. These he enumerated as: Legislation should provide a maximum degree of flexibility; full recognition should be given to existing plans; either the social security type of tax or a state fund are necessary to provide large numbers of workers with this type of coverage; provision should be made for experience rating; strong arguments can be made for joint financing on the part of employer and employee; benefit formulas must be carefully drawn and provisions should be made for non-duplication of benefit payments; TDB laws and their administration should be separate from unemployment compensation programs.

The New York law, he said, has in it a tremendous amount of flexibility. In providing the basic benefits, the employer may self insure, may purchase insurance from a private company or from a competitive state fund. An employer may qualify under the law by

submitting for approval a plan which does not offer as much in cash benefits but which does offer the equivalent in other benefits. For example an employer may seek approval of a plan offering cash benefits of only \$15 per week for 13 weeks which also guarantees medical and surgical, and hospitalization benefits and perhaps some life insurance. If the administrator finds that the total benefits under such a "package" plan are at least as favorable as the cash disability benefits required by law, then the providing of such a plan can discharge the employer's responsibility.

Similarly an employer may be able to qualify a plan which might for instance pay full pay benefits for something less than 13 weeks. There is internal freedom in that employers can have any number of qualifying plans for different classes of employees so long as all employees are covered. Flexibility also is gained through the recognition given under the law to existing plans.

No Social Security Type of Tax

The new law does not levy a social security type of tax. The state fund will operate in the same manner as an insurer, charging premiums calculated to cover the cost of the risks. However, the state fund is obligated to accept any application. New York's 2% premium tax is extended to the operations of the state fund. This is the first time, he said, that such a device has been employed partially to equalize the competitive situation as between a state fund and private insurers.

In New York experience rating is automatic both as to all employers and as to those individual employers insuring groups large enough for application of the principle. The state fund also will employ experience rating. He pointed out that costs are jointly financed, up to the first 30c per week being assessed against the employee.

Relation to Earnings

The New York law relates weekly benefit amounts more closely to recent earnings than does any other law of this type. Benefits are fixed at 50% of the average weekly wage earned in the most recent eight weeks preceding the disability with a maximum of \$26 and a minimum of \$10. There are provisions for non-duplication of benefits and for non-payment of benefits if the disability has not caused a loss of income. Generally speaking, an employee who would be disqualified from receiving unemployment insurance benefits would be disqualified from receiving temporary disability benefits.

The New York unemployment insurance law gives an extreme example of odd results which are produced if the base period concept is used in testing eligibility for benefits and in determining benefit amount. In New York an individual can work for as long as 17 months before becoming eligible for unemployment insurance benefits. This undesirable feature is avoided in respect to temporary disability benefits since the new law sets up a separate earnings eligibility test for the sick unemployed who would otherwise qualify for benefits. The result is to give much earlier coverage during unemployment to most of those newly entering the labor market. This illustrates why temporary disability benefit procedures and practices should be separated as much as possible from the unemployment compensation program.

Follows Sound A. & H. Practice

In many features the New York law follows sound practice in the A. & H. field. A claimant must be under a physician's care, periodic medical examinations by a representative of the insurer or employer may be required. There is a seven-day waiting period subject to an exception in the case of

recurrent disabilities from the same cause. These are a few of the provisions derived from experience with voluntary plans over the years.

Administration is lodged with workmen's compensation board, which has had long experience with a disability program involving self-insurers and private insurance companies. The board should thus be well equipped to administer a program which leans heavily upon private enterprise for its successful conduct.

Dineen Launches Multiple Location Cost Study

(CONTINUED FROM PAGE 1)

examiners, shall produce any book or paper in his or their possession deemed to be relevant to such examination."

It is understood that some of the insurance interests have been financing similar studies on the part of an accounting firm that is well posted on insurance procedure and there is some criticism to the effect that the departmental study will mean a duplication of effort and

expense. The cost may run into very sizable figures and the industry appears to take a very dim view of the project to say the least.

The companies, it is understood, are to be billed direct for the accounting work.

Controversial W. C. Bills Enacted Speedily in R. I.

Workmen's compensation legislation to which there was considerable opposition, was enacted with surprising speed in Rhode Island. It had been generally understood that further hearings were to be held on these measures, but instead they went through the legislature in rapid fire fashion.

One bill requires an employee to be furnished with a signed copy of every medical report that goes to his employer. The other bill that was enacted broadens the occupational diseases definition to include silicosis and asbestosis, or disability arising from any cause connected with the peculiar characteristics of employment.

Gerry E. Seider, assistant treasurer of Badger Mutual Fire, is addressing a meeting of Insurance Women of Milwaukee May 2 on inland marine insurance.

Yes Sir!
Every Good Insurance Man
sometimes feels like this Fellow!
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"There must have been a slip up somewhere along the line."



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	Total Premiums	Auto. Liab. Premiums	Other Liab. Premiums	Work. Comp. Premiums	Fidel. Liab. Premiums	Surety Premiums	Plate Glass Premiums	Burg. Theft Premiums	P. D. & Coll. Premiums
Travelers	6,216,647	415,135	365,146	2,345,595					
United Nat. Ind.	2,834,719	87,993	51,177	791,823					
United Pac.	15,345	10,018	534	1,677					
U. S. Cas.	100,909	3,304	7,566	67,675	837	1,835	338	2,213	6,299
U. S. F. & G.	2,500,439	548,486	296,781	481,116	132,008	332,170	134,827	219,788	428,865
U. S. Guar.	186,832	17,239	10,467	52,639	173,349	12,511	17,681	54,544	81,516
Utica Mut.	27,542	12,786	25	1,039	5,809	177			929
Ya. Surety	69,765	42,064							27,701
Western Cas.	761,723	237,646	71,267	115,073	3,873	34,053	35,833	44,074	203,928
Western Sur.	33,602								87,863
Wolverine	2,437,750	709,611	54,014						25,616
Wolverine Mut.	261,599	76,081	1,969						7,822
Yorkshire	186,383	54,493	8,408	15,181	1,248	8,556	9,350	16,030	43,053
Zerich	2,878,941	727,509	217,409	680,235					46,707
	1,255,435	197,940	41,620	351,350					17,143

Michigan Totals

	1948	1947
Total Premiums	\$212,383,424	\$176,106,042
Total Losses	102,879,028	81,774,504
Auto. Liab. Premiums	31,527,980	25,958,114
Other Liab. Premiums	10,465,081	8,179,015
W. C. Premiums	5,738,843	5,151,458
U. S. F. & G. Premiums	873,552	637,248
U. S. Guar. Premiums	31,114,260	25,539,327
U. S. Cas. Premiums	13,388,838	11,976,216
Utica Mut. Premiums	2,611,764	3,052,922
Western Cas. Premiums	372,286	2,065,041
Western Sur. Premiums	2,847,217	—13,579
Wolverine Premiums	1,200,684	1,041,588
Wolverine Mut. Premiums	562,456	589,236
Yorkshire Premiums	3,535,518	3,347,983
Zerich Premiums	1,015,483	900,761
P.D.-Coll. Premiums	41,706,149	33,171,943
P.D.-Coll. Losses	19,716,692	18,607,527

*Includes classes shown in accompanying tables and fire, theft, etc., of full cover auto insurers.

Other Lines

ACCIDENT & HEALTH

	Net Premiums	Paid Losses
Acc. & Cas.	1,407	809
Aetna Cas.	2,415	123
Aetna Life	5,422,002	3,808,563
Alliance Life	257,467	176,369
Allstate	536	
American Auto	3	
American Cas.	129,669	67,976
American Empl.	12,101	5,245
American Mut.	2,638	
American Mut. Liab.	40,907	56,833
American Policyholders	8,743	13,903
American Re.	46,762	29
American States	1,069	14,488
American Surety	168,547	115
Anchor Casualty	7,077	132,387
Ann Arbor R. R. Empl.	933	5,317
Assoc. Indem.	873	881
Atlas Life	289	61
Bankers Indem.	2,128,154	1,358,087
Bankers L. & C.	146,877	105,957
Bankers Life	39	
Bankers National	21,388	61,448
Beneficial Stand.	413,452	352,814
Ben. Assn. of Ry. Empl.	142,832	95,716
Business Men's Assur.	50,988	24,610
Central Life	28	
Central Surety	3,320	737
Century Indem.	1,564	868
Columbia Cas.	6,303	
Columbia Natl.	9,066	2,912
Columbus Mut.	156,948	68,283
Combined of Amer.	73,118	31,567
Commonwealth Cas.	179,541	41,634
Comm. General	575,321	399,484
Cont. Assur.	465,512	386,332
Continental Cas.	1,189,826	506,363
Dearborn Natl. Cas.	41,304	14,918
Detroit Mut.	335,891	100,812
Eagle Indem.	3,682	1,190
Empco Cas.	1,492	2,800
Employers' Life	67,742	42,600
Employers Mut. Cas.	10	
Employers Mut. Liab.	44,234	26,310
Employers Re.	30,104	28,118
Equitable Society	1,587,166	933,203
Federal L. & C.	214,119	64,135
Federal Life	173,179	63,073
Fidelity & Casualty	61,540	11,126
Fidelity H. & A. Mut.	614,853	274,956
Fireman's Fund	1,410	14,859
Franklin Life	12,065	
Gen. Acc. Fire & Life	61,770	17,300
General American	396,183	340,516
General Re.	9,065	5,400
George Rogers Clark	46,941	8,480
Globe Indem.	1,567	609
Globe Indem.	30,105	19,353
Great Amer. Ind.	12,764	13,042
Great Northern	340,732	176,749
Great West	63,783	32,643
Granary Mut. Cas.	487	
Harvard Mut. Cas.	188,648	94,000
Hartford Acc. & Ind.	74,604	18,888
Hawkeye Casualty	3	

Net Premiums

	Net Premiums	Paid Losses
Home Indem.	2,872	56
Hoosier Cas.	251,551	117,428
Hospital Med. Ben.	90,174	46,814
Illinois Mut. Cas.	28,862	15,164
Income Guaranty	250,489	125,469
Indem. of N. A.	88,672	85,097
Inter-Ocean	330,306	116,220
Inter-State Assur.	47,972	18,627
Jefferson Natl.	1,073	
John Hancock	2,654,322	1,632,809
Kemba Mutual	67,590	54,649
Liberty Mutual	171,189	69,893
Life of Va.	2,483	
Lincoln Mut. Cas.	10,784	310
Lincoln Natl.	37,001	20,471
Loc. Eng. & Con. Mut.	26,507	27,796
London & Lanc. Ind.	13,616	6,673
London Guar. & Acc.	3,569	847
Loyal Protective	126,783	36,414
Lumb. Mut. Cas.	39,609	237
Mfrs. Casualty	31,364	11,561
Maryland Cas.	126,151	41,459
Mass. Bonding	358,903	74,061
Mass. Indemnity	10,163	5,138
Mass. Mutual	376,171	178,481
Mass. Prot. Assn.	38,986	15,435
Metro. Casualty	54,992	6,291
Metro. Mutual	6,335,420	3,952,038
Metropolitan	1,247,939	825,665
Michigan Life	117,992	70,140
Mich. Mut. Liab.	542	
Mid-States	340,978	167,114
Monarch	168	
Motorists Mut.	7,507,302	3,753,320
Mutual Ben. A. & H.	27,001	8,802
National A. & H.	1,203,428	888,350
National Casualty	648,675	251,362
National L. & A.	9,251	2,553
New Masonic	7,442	1,769
New Amsterdam Cas.	124,459	50,224
New York Cas.	1,527	638
North American	2,810	342
Northern	7,073	2,234
Northern Natl.	71	
Norwich Ind.	331,582	195,021
Occidental	11,336	1,178
Ocean Acc. & Guar.	511	2
Ohio Cas.	11,292	3,759
Ohio Farmers Ind.	107,663	45,949
Ohio State	153,966	67,625
Old Line Life	261,020	92,158
Pacific Mutual	3,266	851
Pail Revere	4,234	6,881
Peerless Cas.	1,818	780
Phoenix Indem.	30,914	7,510
Plain Dealers Mut.	971,367	695,185
Preferred Acc.	1,292,584	878,458
Provident L. & A.	18,220	15,820
Prudential	258,829	138,852
Reliance	1,696	76
St. Paul Mercury	12,277	6,192
Security Mut.	19,120	5,448
Shelby Mut. Cas.	225,618	181,322
Standard Acc.	27,368	17,862
State Mutual	143,411	11,411
Sterling	1,472	147
Sun Indem.	298,514	156,532
Time	3,082,770	1,902,726
Travelers	21,308	3,217
Twentieth Cent. Mut.	121,573	120,423
Union Casualty	79,059	38,631
Union Labor Life	46,320	11,278
United Ben. Life	253,827	123,605
United of Ill.	1,891,923	620,354
United Life & Acc.	7,305	1,899
United Natl. Indem.	4	
U. S. Casualty	10,863	5,969
U. S. F. & G.	21,581	5,939
U. S. Guaranty	135	
Universal Mutual	43,507	7,096
Washington Natl.	996,956	435,954
Western Cas. & Sur.	14,775	6,234
Wia. Natl. Life	153,208	65,426
Woodmen Acc.	186,641	72,438
Woodmen Central	119,916	56,533
World	510,993	117,899
Zurich	575,228	365,592
Totals	\$51,446,430	\$33,690,829
1947	43,935,507	22,804,976

STEAM BOILERS & MACHINERY

	Net Premiums	Paid Losses
Aetna Cas.	2,741	214
Amer. Empl.	31,788	8,319
Amer. G. & L.	97,131	9,191
Amer. Re.	2,786	
Excess	39,588	2,396
P. & C.	2,305	30,000
Gen. Acc.	28,467	19,791
Hawkeye	—7,701	276

Handling Cost Must Be Reduced

(CONTINUED FROM PAGE 17)

simple ways of accomplishing the equivalent results.

As comprehensive is handled today, serious misunderstandings result at times from failure by the buyer to appreciate the manner in which the premium is to be determined upon expiration. Mr. Spottke does not think the answer lies in carefully explaining this feature of comprehensive to the buyer at the time the insurance is sold because buyers are apt to have convenient memories when it comes to a substantial additional premium for insurance. The possibilities of misunderstanding are especially grave in connection with the fringe exposures for which no rate may be shown in the policy at the time it is issued. The buyer may not even be aware such exposures develop in the year but the alert auditor in going over his records finds them.

How can these misunderstandings be avoided and how can the comprehensive be made an even better product? One possibility is a composite rate whereby the premium for all exposures under the policy will be determined by applying a single rate or yardstick such as payroll or sales or number of units produced. Another is establishing at the time a policy is issued of a premium charge which would probably have to vary by class and size of risk, which would close out the question of any additional premium for residual exposure discovered on expiration of the policy. It is the surprise element which proves troublesome after expiration. This method would cut down expense of auditing and rating these risks.

Unknown Hazard Myth

The myth of the unknown hazard has been pretty well exploded by now, he added. What the business had in mind in the early days when it talked of the unknown hazard was the unexpected or sporadic exposure for which ample provision could not be made in the rating procedure.

There is no counterpart to the comprehensive personal liability policy in the automobile field for the individual risk. He suggested a comprehensive auto liability form for the individual car owner at an increased premium over the basic policy as issued today. It would extend non-ownership coverage to the individual for all liability except as the owner or operator of a business and hired car coverage without limitation if insured is not operating his own business. Some additional coverage frills might be included to make coverage 100% complete for practical purposes.

No Added Cost

This would be truly comprehensive auto liability protection, and the additional premium would not involve auditing problems or expense. It would return to the companies an adequate amount for the additional coverage afforded. This he believes would be preferable to the present method of issuing hired car coverage with the expense of determining added premium and, in all likelihood, a selection against the company.

The business should not overlook an important ingredient of every successful sales program, in considering future development of comprehensive insurance, he advised. This is proper timing. There is no longer a seller's market. If broader package forms become too costly its price is beyond the reach of an increasing number of buyers. Such a development then must be accompanied by practical, simple and yet ingenious plans for budgeting the cost over the year. Otherwise they will have little sales appeal, he thinks.

The Levi Lysager agency at Washburn, Wis., has acquired the Washburn Insurance & Realty Co. and will operate as Northland Insurance & Realty Co.

Ind. Auto Rates "Frozen" as Probe of P. D. Claims Practices Is Launched

Commissioner Viehmann of Indiana has announced to the newspapers that automobile casualty rates are to be "frozen" in view of the fact that May 1 he is launching an investigation into the alleged practice of certain insurance companies of deliberately resisting the payment of small property damage liability claims. Apparently he means that he will not approve either rate increases or rate decreases until the investigation has reached a conclusive stage.

The investigation is being made under a resolution that was adopted by the Indiana legislature. This, Mr. Viehmann declared, he regards as a "mandate" and although an appropriation was not voted there is some money in the department with which to finance a study.

The resolution for an investigation was adopted apparently as a substitute for numerous bills in the legislature for the tacking on of attorney's fees to small judgments in automobile liability cases. The idea was that if attorneys fees could be made recoverable, it would be worthwhile for attorneys to institute legal action to pursue automobile property damage claims. However, this type of legislation was headed off in favor of the resolution to have the insurance department investigate the practices of third party insurers in relation to property damage claims.

It is understood that there are some filings in Indiana for automobile rate decreases. Apparently, unless Mr. Viehmann's freeze order is successfully challenged, such rate reductions will not be permitted to go into effect, at least at this time. Mr. Viehmann has not indicated just how he will proceed in his investigation, whether he will go over the claim registers of individual companies, or whether he will hold hearings, or whether he will proceed in some other manner.

Kan. Membership Doubled

Twenty-five new members were presented at the April meeting of Kansas Assn. of A. & H. Underwriters at Wichita by Membership Chairman Robert W. Hawk, who announced that membership had more than doubled during the year. Speaker was Robert R. Tyler, Commercial Casualty, Wichita. E. F. Gregory, B.M.A., Denver, will speak at the May meeting.

INSURANCE NEWS BY SECTIONS

IN THE SOUTHERN STATES

La. Agents Are in Annual Session

Louisiana Assn. of Insurance Agents is holding forth in annual meeting at Edgewater Gulf Hotel, Edgewater Park, Miss., this week. The program got under way Wednesday afternoon with the presidential address of Heath Petrie, greetings from Jules E. Simoneaux, president of Louisiana Field Men's Assn. and a forum on agents advertising methods.

Thursday morning reports are to be heard from various committees, from E. J. Seymour, state national director, and John C. Stott, president of N.A.I.A., will give an address. In the evening there is to be open house honoring Mr. and Mrs. Stott, O. Shaw Johnson, Clarksdale, Miss., vice-president of N.A.I.A., and Mrs. Johnson; Mr. and Mrs. Petrie and Mr. and Mrs. F. L. Grubb. There will be a dance, courtesy of the local boards of Baton Rouge, Bogalusa, Hammond and St. Tammany.

At the Friday morning session there will be given the report of administration and of various committees. In the afternoon an executive session will be held and the dinner is to be held that evening.

San Antonians Told of Broad Burglary Cover

E. R. White, secretary of American Indemnity, discussed the advantages of broad form burglary insurance before San Antonio Insurance Exchange. He said comprehensive burglary insurance is still in the experimental stage, but believes that although the premium cost is a little higher the buyer will see its advantages. This covers mysterious disappearance from a safe, cases where money or securities may have been taken home and lost there or on the way, also while in the custody of a messenger, or in case of holdup of the owner of the business or an employee of the firm.

The coverage, he said, looks like a moral hazard, but he urged that more agents try to sell it on acceptable risks. He believes that only about 10% of the agents are now selling this coverage. He referred to the claim that locks can be manipulated by skilled burglars and stated that when he has employed experts to open safes a minimum of seven hours has been required.

Mr. White pointed out the need for records giving a reasonable amount of information. Asked concerning coverage at different locations, he answered that he has one assured with 31 locations.

Arthur Randol, chairman of the legislative committee of Texas Assn. of Insurance Agents, reviewed legislative developments.

Ga. Advisory Board Named

ATLANTA — Commissioner Cravey has named 11 members of the fire safety advisory board, authorized under a new law to assure public safety in major hazard buildings. One member remains to be appointed.

Va. Speakers Scheduled

Among the speakers already signed up for the annual meeting of Virginia Assn. of Insurance Agents at Roanoke June 16-18 are John C. Stott, president of N.A.I.A.; Lawrence Sullivan, executive editor National Business News, and Edward Kingsbury, director of education of Royal-Liverpool.

Arkansas Announces Convention Plans

Final program plans featuring three speakers for the annual convention of Arkansas Assn. of Insurance Agents to be held at the Arlington Hotel, Hot Springs National Park, May 13-14, were announced this week. Ernest L. Clark, assistant treasurer of J. C. Penney Co., New York heads the general convention session Friday afternoon, May 13, with an address on "National Importance of the Local Agent." Fred Westervelt, public relations director of General Adjustment Bureau, New York, will speak on "Loss Adjustments and Public Relations," and show a color motion picture of the recent tornado damage at Warren, Ark. "The Agent's Position in the Present Economic Situation" is the subject of Hugh D. Combs, executive vice-president of U. S. F. & G.

Governor McMath will formally open the convention session with a brief address and will be followed by Commissioner Graves, who will extend greetings from the insurance department.

Business Session May 13

The business session of the association, attended only by members, will be held the morning of May 13, with President Sterling Frank, Dumas, presiding. Ladies attending the convention will attend a luncheon Friday given by the Anderson & Newell general agency, Little Rock, while all men registrants are invited to a stag buffet luncheon of the Arkansas Assn. of Managing General Agents.

The session Saturday morning will be devoted to three open forum discussions. Heading the list is a forum on Arkansas' new agent's qualification law with Commissioner Graves, C. S. McNew, Jr., legislative chairman, Pine Bluff, J. W. Dickey, association counsel, Pine Bluff; Verne McMillen, National Board counsel, Little Rock, and L. V. Martin, general agent, Little Rock, serving as discussion leaders. A second open discussion will be devoted to an analysis of the state's new fair trade practices act for insurance with Representative William Rector, Mr. McMillen and W. R. Smith, Loyalty Group, Little Rock, as spokesmen. The final round table of that session will take up Arkansas' new financial responsibility act. Heading the discussion panel is Dean Morley, state revenue commissioner, who will administer the law. He will be assisted by Thomas T. Wilson, U. S. F. & G., Little Rock; William Apple, Apple & Co., Little Rock; Robert Maxwell, Offenhauser & Co., Texarkana, and Leavell R. Smith, E. H. Noble & Co., Stuttgart. The convention will adjourn Saturday noon. A dinner-dance will be held Friday night.

Tenn., Ark. Mutual Agents Hold Joint Rally at Memphis

MEMPHIS — J. Sam Kirkpatrick, Nashville, was elected to succeed W. J. Ingle of Knoxville as president of Tennessee Assn. of Mutual Insurance Agents at a joint meeting here of the Tennessee and Arkansas associations. Other officers of the Tennessee association elected were: Fred Smith, Clarksville, vice-president; Clifton Lewis, Tullahoma, secretary-treasurer, and Will S. Hall, Jackson, and Tom Pace and J. Leroy Neblett, both Knoxville, directors.

Dr. Richard C. Steinmetz, chief special agent Mutual Investigation Bureau, spoke on "Arson"; A. J. Wild, manager at Memphis for Tennessee Inspection

Bureau, discussed the new state rate regulation bureau, and E. J. Raabe, Central Manufacturers Mutual, spoke on "Common Fallacies in Selling Personal Property Floaters."

Edward Pace, Camden, Ark., was elected to succeed Milton A. Kidder as president of the Arkansas association.

Wolverine Has Sales Meet

Wolverine of Lansing conducted a sales meeting for its branch managers and production officials. H. Gordon Eason, vice-president in charge of cas-

ualty lines, was in charge of that aspect of the program while Harold Moore, manager of automobile business, directed sessions in that field.

Claim men are being called into the home office for a two-day session at the end of this week.

Five of the factory mutuals have been licensed in Iowa, including Arkwright Mutual, Blackstone Mutual, Cotton & Woolen Manufacturers Mutual, Philadelphia Manufacturers Mutual and Protection Mutual.

The Donald B. Sigerfoos agency, Marion Street, Elkhart, Ind., has bought the Howard Herrli agency.

MIDDLE WESTERN STATES

Minn. Agents, Auto, Finance Men Agree on Ethical Code

MINNEAPOLIS — Minnesota Assn. of Insurance Agents, the Minnesota Automobile Dealers Assn. and Minnesota Finance Conference have drawn up an agreement on automobile insurance purchases after a conference with Thomas N. Christie, a member of the house insurance committee of the legislature. The agreement permits the purchaser of merchandise on an instalment basis or the borrower of money to designate his own insurance agent and company. This ethical code has been substituted by these three groups for legislation introduced by agents to correct some of the abuses. Frank S. Preston, legislative chairman for the Minnesota association, signed for the agents.

Minnesota Agents' Mid-Year Under Way at Minneapolis

MINNEAPOLIS — "Mind Your Own Business" is the keynote of the mid-year convention of Minnesota Assn. of Insurance Agents which opens Thursday afternoon and continues through Friday. An attendance of 250 is expected. The executive committee of the association met Wednesday night to set the dates for the annual meeting. It will be at Duluth, probably Sept. 30-Oct. 1.

Thursday morning the constitutional revision committee, J. R. Gallery of Hutchinson, chairman, will meet. Also that morning the committee on insurance education, Loren D. Capretz, Austin, chairman, will meet on the campus of University of Minnesota to talk over plans for another short course for agents next fall.

Convention sessions will be at the Radisson hotel with President Jesse D. Bradley, Duluth, in charge.

Indiana U. Conference

The annual conference on fire and casualty insurance at Indiana University at Bloomington has been set for three days commencing May 2. There will be covered at that time, five courses from the N.A.I.A. program as well as introductory courses in public liability, time element coverage, office management and aviation. C. D. Kessler of Peru will be chairman, and Professor J. Edward Hedges of Indiana university and L. A. Linderman of Terre Haute will be co-chairmen.

Ohio Federation Meet Set

The annual meeting of Insurance Federation of Ohio will be held at Columbus May 23.

Regional at Concordia, Kan.

Kansas Assn. of Insurance Agents held a dinner meeting for zone 4 agents at Concordia. Russell M. Bays, Concordia agent, was local chairman. Field men assisting with the program and arrangements were John L. Vorse, Royal-Liverpool, Wichita, and Byron R.

Ward, Glens Falls, Topeka. Speakers included Miles Eliff, Rain & Hail Insurance Bureau; Harlan Martin, St. Paul, and Herbert J. Schoeppe, Commercial Union, all of Wichita; Mr. Ward and Commissioner Sullivan. There were about 40 agents in attendance.

Minn. Mutual Parleys

The Gopher 1752 Club conducted a one-day mutual insurance clinic at Rochester, Minn., with 95 agents attending. The next clinic will be May 5 at St. Cloud.

The speakers at Rochester included John Ramey of Farmers Home Mutual on "Long Line Coverage"; Paul H. Darling, Iowa Mutual Liability, "Schedule Public Liability"; and M. H. Jamar, Employers Mutual Casualty, "The Casualty Risk of Today".

COAST

L. A. Interests Charged with Conspiracy to Defraud

LOS ANGELES — Complaint has been filed in superior court by Imperial Assurance, Alliance Assurance, National Union, and Northwestern F. & M. against the All-State Wrecking & Salvage Co., E. D. Stern, its president; James E. Akers, owner of Builders Lumber Co.; Louis Lippin, insurance broker, and three John Does, alleging fraud and seeking repayment of a loss overpayment.

The suit results from loss paid on a fire at the wrecking company's plant April 14, 1947. Insurance involved was \$75,000. Proof of loss was submitted on the basis of 814,884 board feet of lumber burned for a total of \$50,788 and paid by the four companies.

The complaint alleges the total damaged and destroyed lumber did not exceed 50,000 board feet and the value did not exceed \$2,500; that the kind and quality of lumber was inferior to that represented in the proof of loss; that this was known to defendants and that they conspired to defraud the insurers. Including premium insurance, the complaint alleges overpayment of \$49,149.

A secondary loss payment, coincident with the same fire loss on April 14, 1947, is in abeyance, since a draft in the amount of \$39,886 and in behalf of Utah Home Fire, was stopped before payment.

Gilmore, Carpenter Party

The Pacific Board has arranged a testimonial farewell dinner to William W. Gilmore and Samuel L. Carpenter, Jr., at the Stock Exchange Club, San Francisco, May 3. H. Clyde Edmundson is chairman of the committee in charge. Mr. Gilmore is the retired London & Lancashire Pacific Coast manager and Mr. Carpenter is the former manager of the Pacific Board.

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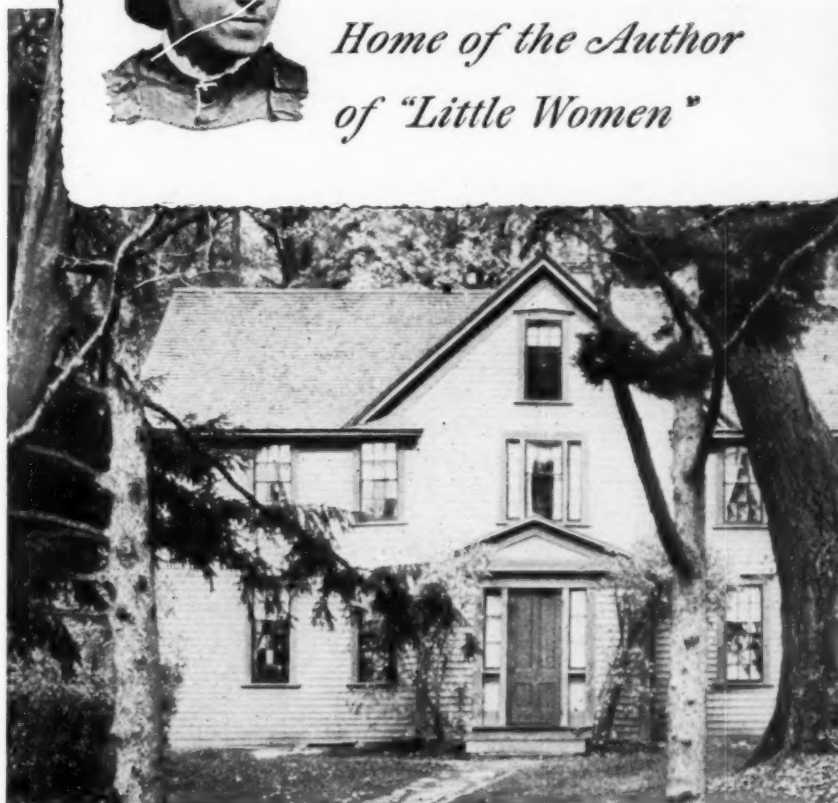
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Orchard House

Home of the Author
of "Little Women"

Famous American Homes



The library in Orchard House

"THE FIRST golden egg of the ugly duckling," wrote Louisa May Alcott after the publication of "Little Women" which brought fame and prosperity after lean years of believing herself a failure. Yet the publisher was disappointed in the manuscript and inclined to reject it. Fortunately, he sought the opinions of some young friends and their enthusiastic reaction convinced him of its appeal.

As every reader knows, "Little Women" is based on the early home life of the four Alcott sisters and through the tomboy Jo, Louisa herself is revealed. Though the author spared no unflattering details, Jo with all her faults emerges as the strongest and most endearing character.

Louisa, the second of the four daughters,

was born in 1832 in Germantown, Pennsylvania, where her father conducted a school. A man of culture and advanced educational ideas, Bronson Alcott was nevertheless an impractical dreamer who had difficulty making an adequate living.

After many moves, in 1857 the Alcotts bought Orchard House in Concord, Massachusetts, which remained their home for twenty-five years. Built about 1650 and one of the oldest in Concord, the house was so dilapidated that its former owner had thought it fit only for firewood. But he did not know the resourceful Alcotts who energetically set to work and made the old wreck habitable. Some of the decorations made by May (Amy in "Little Women") still remain.

Under the spur of necessity the ambitious Louisa began writing at an early age, but her stories netted very little and failed to meet her own critical standards. With "Little Women," which was written at Orchard House and published when she was 36, she not only became successful in the eyes of the public but had the satisfaction of feeling that she had hit her stride. Characteristically, she rejoiced most in being able at last to install a furnace

in Orchard House and provide her family with many other necessities and comforts. Her dominant love and protective instinct were constantly directed toward her family. This single-minded devotion was probably why she never married.

Orchard House is now maintained by the Louisa M. Alcott Memorial Association. Through the help of relatives and friends it has the same appearance and much of the same furniture as in the days when the Alcott family made it their home.

* * *

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

☆ THE HOME ☆
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N.Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity & Surety Bonds



View of parlor. Note "sausage pillow" mentioned in "Little Women"



THE Crum and Forster GROUP



FINANCIAL STATEMENT AS OF DECEMBER 31, 1948

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	ALLEMANNA FIRE INS. CO.	U.S. BRANCH WESTERN ASSURANCE	U.S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 7,800,355	\$ 4,235,762	\$ 5,050,748	\$ 1,153,477	\$ 1,067,440	\$ 682,826	\$ 1,091,002
United States Government Bonds	31,981,414	19,463,805	19,756,173	4,455,137	4,963,311	2,451,396	1,039,745
Other Bonds and Stocks	17,990,062	13,307,918	12,817,798	2,121,226	968,577	1,047,130	1,318,469
Mortgage Loans on Real Estate	24,115	31,000	229,291	78,339	.....	.....	.....
Real Estate	1,500	1,000	37,000	80,000	.....	.....	.....
Premium Balances Receivable (Not over three months due)	3,142,252	1,960,343	2,372,031	421,137	422,431	229,993	183,880
Bills Receivable, Not Due	544,633	216,298	442,196	.....	.....	.....	.....
Interest Accrued	100,882	59,764	63,279	13,832	10,133	6,297	8,804
Other Assets	1,482,437	390,457	1,039,868	121,008	124,965	21,396	24,196
Total Admitted Assets	\$63,067,650	\$39,666,347	\$41,808,384	\$ 8,444,156	\$ 7,556,857	\$ 4,439,038	\$ 3,666,096

LIABILITIES

Reserve for Unearned Premiums	\$24,992,299	\$14,509,496	\$15,903,380	\$ 3,401,595	\$ 2,771,015	\$ 1,539,276	\$ 1,733,059
Reserve for Losses and Loss Expenses	7,409,014	4,966,437	6,055,175	872,930	1,164,058	569,928	307,099
Reserve for Taxes and Expenses	1,612,400	1,057,500	1,291,000	202,558	260,800	121,850	75,226
Other Reserves	879,059	361,315	753,866	109,077	111,323	26,436	14,864
Capital	2,000,000	2,000,000	2,000,000	1,200,000	†500,000	†500,000	500,000
Net Surplus	23,174,878	16,771,599	15,804,963	2,657,996	2,749,661	1,681,548	1,035,848
Surplus to Policyholders	28,174,878	18,771,599	17,804,963	3,857,996	3,249,661	2,181,548	1,535,848
	\$63,067,650	\$39,666,347	\$41,808,384	\$ 8,444,156	\$ 7,556,857	\$ 4,439,038	\$ 3,666,096

★Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$3,610,229; North River, \$2,454,022; Westchester Fire, \$2,193,008; Allemannia Fire, \$255,000; Western Assurance, \$675,076; British America, \$668,148; Southern Fire, \$297,011.

†Statutory Deposit.

On the basis of December 31, 1948, Market quotations for all Bonds and Stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$358,110; North River, \$213,329; Westchester Fire, \$300,088; Allemannia Fire, \$82,778; Western Assurance, \$22,746; British America, \$25,208; Southern Fire, \$21,158.

CRUM AND FORSTER, Manager

110 WILLIAM STREET, NEW YORK CITY

WESTERN DEPARTMENT SOUTHERN DEPARTMENT CAROLINAS DEPARTMENT PACIFIC DEPARTMENT ALLEGHENY DEPARTMENT
FREEPORT, ILLINOIS ATLANTA, GEORGIA DURHAM, NORTH CAROLINA SAN FRANCISCO, CALIFORNIA PITTSBURGH, PENNSYLVANIA

